

CONFIDENTIAL.

(9929.)

PART XXV.

FURTHER CORRESPONDENCE

RESPECTING THE

AFFAIRS OF PERSIA.

January to March 1911.

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PART XXV.

[6]

No. 1.

Sir F. Bertie to Sir Edward Grey.—(Received January 1.)

(No. 1.)

(Telegraphic.) P.

Paris, January 1, 1911.

PERSIA.

The Russian Ambassador spoke to me at the new year's reception at the Elysée to-day in regard to the ex-Shah of Persia. He said that His Majesty had come to Paris from Nice, where his Excellency suspects that he has been conferring with Zil-es-Sultan. His Excellency has conveyed to His Majesty the warning which the Russian Embassy was instructed to give him as reported in my telegram No. 99 of the 12th November last.

The ex-Shah has asked the Ambassador to advance him some money, as he says his pension is in arrear. His Majesty states that he is going on to Brussels, and that his visit to Paris has no political object.

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No. 2.

Sir G. Buchanan to Sir Edward Grey.—(Received January 1.)

(No. 2.)

(Telegraphic.) P.

St. Petersburg, January 1, 1911.

CONVERSION of Persia's debts to Russian Bank.

I saw M. Sazonow yesterday, and his Excellency told me that there seemed now to be every prospect that the question of the automobile concession would be settled, and that the Russian scheme for conversion of the debt would be carried through. If this were done, it might then be possible for him to have the Russian troops withdrawn from Kasvin, but at the same time he would warn the Persian Government that, in the event of their refusing to prolong the mining concession, his Government might find itself forced to carry out prospecting work and to send a small body of Cossacks to protect the prospecting engineers.

M. Sazonow told me also at the same time that representations had been made at Constantinople by the German Ambassador on the subject of the Persian frontier, and that Baron von Marschall had warned the Porte of the danger which they ran of provoking Russia if they persisted in their present attitude with regard to this question. The Porte's reply to the German Ambassador had been a repetition of its usual mendacious statements as to the situation on the frontier.

M. Sazonow then said that he hoped that he might count on our support at Constantinople if he should eventually decide to take any action there. To this I replied that our position would be greatly strengthened when the Russian troops were withdrawn from Kazvin, and that I felt confident that His Majesty's Government would then be very glad to act in concert with the Russian Government at Constantinople.

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No. 3.

Sir G. Buchanan to Sir Edward Grey.—(Received January 1.)

(No. 3.)

(Telegraphic.) P.

RUSSO-GERMAN relations.

St Petersburg, January 1, 1911.

In an article which appeared in the "Novoe Vremya" yesterday it was stated that shortly after the conclusion of the Anglo-Russian agreement the German Government addressed to the Russian Government a note in which they enquired, in view of the agreement, what attitude Russia intended to adopt towards the interests of Germany in the Middle East. The "Novoe Vremya" states that the Russian Government are about to reply to this note.

When I spoke to M. Sazonow yesterday I had not yet seen this statement in the "Novoe Vremya," and no allusion was made to it by his Excellency in our conversation, though he did say that no answer as to his draft agreement had yet reached him from Berlin.

If there is any truth in the "Novoe Vremya's" statement that the Russian Government contemplate sending in such a note, the note will apparently be of the nature of a summary of the results of the meeting at Potsdam, and will state that, "as regards Asiatic affairs," both Russia and Germany have agreed not to enter into any new combinations which might be directed against one or other of them.

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No. 4.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 224.)

Sir,

Tehran, December 6, 1910.

WITH reference to correspondence ending with my telegram No. 367 of the 14th September, I have the honour to transmit herewith copy of a most interesting despatch from His Majesty's consul at Ahwaz briefly reviewing the events in the recent Bakhtiari inter-family quarrels, their causes and their effects.

Towards the close of his despatch, Lieutenant Ranking gives his opinion on the effects of the recent troubles (a) internally, on the Bakhtiaris themselves, and (b) externally, chiefly on British interests.

With regard to the first point, it appears that the rank and file of the tribesmen have obtained direct gains in receiving large sums in subsistence allowance, arms and ammunition, whereas the khans themselves have suffered very appreciable loss in expending some 12,000*l.* and embittering the animosity already existing between the two families.

The effect on British interests must be a matter of the greatest regret, as the result of the quarrels has been a considerable recrudescence of road robberies, and a consequent set-back of trade.

Mr. Ranking's information that some members of Ilkhani family were desirous of raising trouble with the Sheikh of Mohammerah this winter, should an opportunity present itself, would appear to be borne out by the trouble between Sheikh Khazal and Rahim Khan respecting the action of Farhan, on which I have had the honour to report in my telegram No. 495, &c.

I have, &c.

G. BARCLAY.

Enclosure in No. 4.

Lieutenant Ranking to Sir G. Barclay.

(No. 17.)

Sir,

Ahwaz, October 28, 1910.

IN view of the recent Bakhtiari inter-family quarrels, it may be of interest to briefly review the events as they took place, their causes and their effects.

In June 1910, Haji Khusro Khan, Sardar-es-Zaffar, came from Tehran to the Bakhtiari country armed with orders, firstly, to collect a force and attack the Soulet-ed-Dowleh, and, secondly, to arrange matters between the tribal executive chiefs, the acting Ilkhani and Ilbegi, between whom relations were exceedingly

strained. On his arrival he set about collecting the requisite forces, and, with the consent of the members of the Haji Ilkhani family, a letter was sent to Ahmed Khan, Zaigham-ed-Dowleh, inviting him to come to Chigakhor on the pretext that the Bakhtiari chiefs wished to entrust the Governorship of Behbahan to him. He came, but till his arrival in the Bakhtiari country was not apprised of the real motive which prompted the Bakhtiari khans to invite him, which was to utilise his services against his brother, the Soulet.

During all this mobilisation the members of the Haji Ilkhani family—more particularly Lutf Ali Khan, Amir-i-Muffakham—had been growing apprehensive that they would be forced to turn against their friend the Soulet, with whom they are in treaty, as has been elsewhere stated; and, therefore, were exceedingly relieved to be afforded an opportunity of backing out of this expedition which was so little to their liking. Their opportunity occurred when telegraphic orders were received from Tehran that the expedition against the Soulet was cancelled; whereupon the Amir-i-Muffakham, who at that time was acting Ilkhani in Chigakhor with the Amir-i-Mujahid as acting Ilbegi, at once disbanded his troops and refused to fight, although the Sardar-es-Zaffar and the Amir-i-Mujahid wished to do so, and were prepared to disobey the orders received from Tehran. The Amir-i-Muffakham's refusal to fight greatly incensed both the Sardar-es-Zaffar and the Amir-i-Mujahid, the former of whom disbanded his forces and returned to his home in Junagun, the Amir-i-Mujahid remained in Chigakhor, while the Zaigham-ed-Dowleh returned to his own Il (tribesmen).

Events at Chigakhor now took a turn for the worse. The Amir-i-Mujahid openly opposed the Amir-i-Muffakham to such an extent that the latter resigned the acting Ilkhaniship and vested his powers in his colleague (the Amir-i-Mujahid), assisted by Sultan Ali Khan, Shahab-es-Sultana, and Ghulam Ali Khan, and went to his own home in Dizak.

The Shahab-es-Sultana, in his turn, finding the Amir-i-Mujahid impossible to work with, went to Burujin, leaving Ghulam Ali as sole representative of the Haji Ilkhani family's interests at Chigakhor.

The Amir-i-Mujahid, instigated by the Sardar-es-Zaffar, now became more obstructive and remobilised the Ilkhani family forces. At this point the Sardar-es-Zaffar sent his son, Mehti Kulli, Salar-i-Masud, to Dastgird on the pretence of attending the "fateh-khani" (funeral rights) of the wife of Agha Iskandar, Ahmed Khusroi; but, in reality, his mission was to try and seduce the Ahmed Khusrois from their allegiance to the Haji Ilkhani family. The Ahmed Khusrois refused to receive him, and, on his persisting, shot his horse under him; after which, seeing that they were in earnest, he returned to Chigakhor. This incident was the spark in the powder. The Ilkhani family adherents took and occupied Chigakhor fort and imprisoned Ghulam Ali Khan in it, besides occupying other places in the high and low countries. Consequent on this also, the Godar-i-Balutak bridge was seized and occupied, as also the Malamir fort.

Sultan Ali Khan, Shahab-es-Sultana, on learning of his brother's imprisonment, collected 500 sowars in Buldaji with a view to attacking Chigakhor; but prior to his arrival at the latter place Ghulam Ali Khan was set free.

Yussuf Khan, Amir-i-Mujahid, then, to avenge the insult offered to the Salar Masud, marched at the head of a force of sowars, accompanied by guns, to Dastgird to wipe out the Ahmed Khusrois. The elders of the Ziraswand (sub-tribe to whom khans belong) and the Ahmed Khusroi, however, came to Yussuf Khan and threatened, should he put his intention into practice, not only to rise in arms and oppose him, but also to go over in a body with their respective sub-tribes to the Haji Ilkhani side. This threat had the desired effect, and Yussuf Khan returned without accomplishing anything.

The next move was a notification, sealed by the Amir-i-Mujahid and the Sardar-es-Zaffar, to all the tribes, informing them that the Haji Ilkhani family had been deprived of office by order of the Persian Government, and that the tribesmen should obey no other orders than those emanating from the Ilkhani family representatives. This gross misrepresentation, however, failed to produce the effect desired, and the Haji Ilkhani tribesmen remained loyal.

Still bent on creating trouble if possible, Murtaza Kulli Khan was dispatched by these chiefs to the Mahmud Salihi Chahar Langs to raise forces, from whom about 1,000 sowars were collected.

These events bring us to the beginning of the second week in September, when both sides commenced to telegraph to Tehran, accusing each other of duplicity, &c., and asking instructions as how to act *vis-à-vis* the situation. In reply, Tehran ordered

the Muntazzim-ed-Dowleh and the Salar Ashraf to go to the Bakhtiari country and arrange matters. On their arrival there the Sardar-es-Zaffar and the Amir-i-Mujahid imposed the following terms as the price of peace, viz. :—

1. The Governorship of Ispahan and Yezd to be conjointly shared by both families.
2. The Felard and Aquili lands, belonging to the Sardar Muhtesham, to be divided equally between the two families.
3. Amanullah Khan, Heshmet-ul-Mamalik, son of Riza Kulli Khan, to be admitted into the Bakhtiari administration and to receive a share of the Bakhtiari revenues.

These terms the Muntazzim-ed-Dowleh and Salar Ashraf telegraphed to Tehran, and in reply the Sardar-es-Zaffar and Amirs Muffakham and Mujahid were ordered to proceed to Tehran via Ispahan.

At the same time the Medjliss ordered Agha Nurullah, the most influential cleric in Ispahan, Haji Mirza Ahmad Daulatabadi, Motamid-i-Khakan, and Lewa-ul-Mulk, the first three to go to the Bakhtiari country and arrange terms of peace, the last named to collect such sarbaz as the Sardar-es-Zaffar had with him and bring them back to Ispahan. These persons went to Buldaji and Chigakhor and dispersed the opposing forces, afterwards going to Junaghu and Shahrak, at which latter place a meeting was arranged between the Amirs and peace concluded; after which all persons concerned went to their homes, the Lewa-ul-Mulk taking the sarbaz with him to Ispahan. Nazir Khan, Sardar-i-Jang, having left his governorship in Yezd without the permission of the Central Government, arrived in Dizak on the 22nd September. Two days later he wrote to the Sardar-es-Zaffar, saying that he was prepared for either peace or war, whichever he liked, but required an answer at once. A meeting was arranged between these two at Shahrak, at which korans were sealed and exchanged promising to keep the peace.

The latest news to hand is that the Muntazzim-ed-Dowleh, Murtaza Kulli Khan, Amir-i-Mujahid, and the Hishmet-ul-Mamalik left Shalamzar on the 25th September, the Sardar-es-Zaffar left Junaghu on the 23rd September, and the Amir-i-Muffakham left Dizak on the 29th September all en route to Ispahan.

Such were the events of the late situation: I will now deal with their causes and effects.

The causes are difficult to decide precisely, but it would appear that the radical cause was the ever-present enmity which exists between the members of the two families, which has for its ultimate object the total extinction of the rival family, the supreme and undivided control of the tribes, and a free hand in pursuing any designs and schemes without the interference and possible opposition of the rival family, accentuated in this case by the greed and malice of Yussuf Khan, Amir-i-Mujahid, and Haji Khusro Khan, Sardar-es-Zaffar. It is even supposed that the proposed attack on the Soulet was a deep move on the part of some of the members of the Ilkhani family to either embroil and cause a split between the Haji Ilkhani family and their ally the Soulet, should they act in conjunction with their cousins, the Ilkhani family, or put them in a false position should they refuse to do so.

In my opinion, had Yussuf Khan and Haji Khusro Khan not been in the Bakhtiari country at the time, the situation, which was almost entirely engineered by them, would never have arisen. As an example of the enmity which exists between the two families and the lengths to which a man of Yussuf Khan's stamp will go may be cited the following, of which I learnt from confidential sources while in the Bakhtiari country lately.

It was reported to me from a credible source that while at Chigakhor Yussuf Khan, in conjunction with the Heshmet-ul-Mamalik, plotted to have the Amir-i-Muffakham secretly assassinated, as a reprisal for the death of Azizullah Khan, brother of Heshmet, who was killed in 1909 by the Royalists in the operations prior to the capture of Tehran. The Amir, however, was forewarned, and was so enabled to avoid the danger. The effects of the recent troubles have been of two kinds, viz.: (a) the effect internally on the Bakhtiaris themselves; (b) the effect externally, with one ramification of which only—viz., British interests—I will deal:—

(a.) The internal effect has been a direct gain for the tribesmen, to whom the khans have had to pay large sums in subsistence allowance ("gira") for forces maintained, not to mention arms and ammunition given to them, while to the khans the situation has resulted in no gain whatever—on the contrary, in a very appreciable loss—the expenditure of some 60,000 toman and an accentuation of the feeling of

enmity between the two families, just at a time when they should, of all times, be at one and working together.

(b.) The effect on British interests has been one greatly to be deplored, having resulted in a recrudescence of road robberies, no less than four robberies of varying magnitude and numerous minor thefts having been reported to me during the period I have been on tour alone. The Ilyat (tribesmen) themselves say that till affairs between the khans are arranged and the acting Ilkhani and Ilbegi are appointed and come to the low country affairs cannot improve, and seeing that they, in most cases, are responsible for the robberies, this may be taken not as an expression of views only, but also as an expression of intention.

I am informed that *ad interim* the tribal executive is vested in Ziya-es-Sultan and Salar Ashraf, and that it is proposed to appoint Nazir Khan, Sardar-i-Jang, acting Ilkhani, and Yussuf Khan, Amir-i-Mujahid, acting Ilbegi, for the coming winter and spring.

The latter appointment is, in my opinion, most unfortunate, for so long as this man has any hand in the tribal executive, so long will there be constant trouble to British interests, which Yussuf Khan looks upon merely as concerns to be squeezed for the satisfaction of his own boundless rapacity.

In conclusion, I would beg to inform you that I have been confidentially informed from well-informed sources in the Bakhtiari that some members of the Ilkhani family, most particularly the Sardar-es-Zaffar, desire, should opportunity present itself this winter, to pick a quarrel and raise trouble with the Sheikh of Mohammerah, as they attempted to do last year, but failed.

I have, &c.

J. RANKING.

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No. 5.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 225.)

Sir,

Tehran, December 6, 1910.

WITH reference to your telegram No. 324 of the 4th November and subsequent telegraphic correspondence, I have the honour to transmit herewith copy of a despatch from His Majesty's acting consul at Shiraz giving a full report on the riot which took place at that town on the 6th ultimo, and during which eleven Jews were killed and fifteen wounded.

I have, &c.

G. BARCLAY.

Enclosure in No. 5.

Acting Consul Smart to Sir G. Barclay.

(No. 49.)

Sir,

Shiraz, November 9, 1910.

WITH reference to telegraphic correspondence ending with my telegram No. 80 of the 6th instant, I have the honour to submit a brief account of the riot which took place on the 30th ultimo.

Between 8 and 9 A.M. a mob, bearing the corpse of a girl, a Mussulman, they said, whom the Jews had murdered, burst into the compound of the Government House, and rushed to the innermost court, where Kawam-ul-Mulk then was. Kawam asked the rioters to leave the corpse there, and go to the Department of Justice to complain in a legal manner. The rioters refused to leave the corpse, which, apparently, was in a decomposed state, and rushed to the Courts of Justice, which they forthwith sacked. Not an article of furniture was left, and nearly all the archives, including numerous invaluable legal documents, &c., were destroyed or carried off. The rioters then returned to the inner court, where Kawam was, and began to menace him. He seized a rifle from one of his guards and fired over the rioters' heads, the guards following suite. The mob at once fled out of the compound and proceeded to attack the Jewish quarter. Nasr-ed-Dowleh happened to be just then coming into town. The mirza of M. Nataf, Directeur de l'Alliance israélite, met him with a message from M. Nataf, requesting guards for the Jewish quarter. Nasr-ed-Dowleh at once

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called out a regiment of soldiers, and dispatched it to the quarter. The soldiers at first made some attempt to restrain the rioters, but the temptation soon became too strong, and they began to loot also. Numerous kashkais then appeared on the scene and plundered in a most thorough manner.

I first received news of the riot at about 9:30 A.M. from a Jew, who begged me to come to the help of his co-religionists. After writing a letter to the karguzar, asking him to request the competent authorities to take the necessary measures for the defence of the quarter, I rode down with my sowars to the Jewish school, where M. Nataf then was. The soldiers had just been sent to the quarter, and reports were more reassuring. After discussing the situation, we decided that there was nothing to be done for the moment, and I returned to the consulate. On my way back I met a mirza sent by Kawam to tell me what had happened. Kawam, by his mirza's mouth, was already flattering himself on having suppressed the riot. I told the mirza to ask Kawam from my part to take every precaution to guard the Jewish quarter.

Shortly after my return, news was brought to me that the soldiers were plundering the Jewish quarter. I at once rode down to the Government House to see Kawam. I found the gates of the palace closed, but succeeded in getting them opened. Kawam, Nasr-ed-Dowleh, Shaikh-ul-Mulk, the commander of the Cossacks, and others were in a small room in the innermost court, and appeared to have more or less lost their heads. The French consular agent was also there. I urged Kawam to send the Cossacks at once to clear the soldiers out of the Jewish quarter. However, the Cossack commander objected strongly to this suggestion. He said that there was already much bad blood between the Cossacks and the soldiers, owing to the murder of a Cossack by a soldier a few days before. He maintained that, if the Cossacks appeared on the scene at that moment, serious bloodshed would result, and a blood feud would be established between the Cossacks and the soldiers. I then urged Kawam to send to the quarter whatever troops he could trust. Kawam gave orders for a number of municipal guards to prepare for action, while the officers of the soldiers were sent on ahead to bring their men out of the Jewish quarter. Nasr-ed-Dowleh, who was much excited and very pale, threatened the officers in violent language that he would blow them off at the gun's mouth, &c., if they did not stop their men pillaging. The authorities were evidently in a hopeless state of panic. After again imploring Kawam to send at once some reliable force to the Jewish quarter, I left in order to see how M. Nataf was faring. I rode through a part of the Jewish quarter, and saw a number of the looters at work—men and women, townspeople, soldiers, and kashkais. I found M. Nataf in his house, which is outside the Jewish quarter, with the French consular agent, who had preceded me. After a short discussion, I rode back to the consulate, sending a farrash to keep watch on the Jewish quarter, and report to me. About 2 P.M. my farrash reported to me that the plundering was still going on. I at once wrote to Kawam, reproaching him for his failure to stop the pillaging. He replied about an hour later that he had succeeded in putting a stop to the plundering. As a matter of fact, the rioters, having completely sacked the quarter, withdrew between 2 and 3 P.M. At 4 P.M. I called on Kawam and discussed the situation with him and Nasr-ed-Dowleh. After receiving assurances that large supplies of bread would be sent that evening to the destitute Jewish population, and that the quarter would be properly guarded that night, I returned home. The Cossacks took possession of the quarter about 5 P.M., and have guarded it ever since, with their usual efficiency. Kawam also, at my request, sent five Cossacks, as an extra guard, to the Imperial Bank of Persia.

Since then I have directed all my efforts to inciting the authorities to recover the loot, to supply material succour to the ruined Jewish population, to punish the culprits, and take effective measures to prevent further disorders.

Eleven Jews were killed in the riot and about 15 wounded, one of whom has subsequently died. All the 300 odd houses in the quarter were completely stripped, and 5,000 Jews have been ruined. The local authorities have recovered a certain amount of the loot, but I fear most of the valuable property has been irretrievably lost. I have arranged with the local authorities a subscription for the Jews. Unfortunately, Seyyid Abdul Hussein Lari preached a violent sermon against the Jews and those who were helping them. As a result, nearly all the Persians, either really afraid or glad to find a pretext not to pay, professed their inability to subscribe owing to fear. The amount realised locally by the subscription, will, therefore, probably be insignificant.

The local authorities certainly displayed lack of energy and determination in suppressing the riot. If the Cossacks had been sent to the Jewish quarter when I suggested, the rioters would probably have been dispersed after a brief conflict. It is

only fair to repeat that the Government was not entirely to blame for the failure to use the Cossacks in time, because their commander strongly opposed their dispatch. If Kawam or Nasr-ed-Dowleh had had the courage to go at the head of their own tribal sowars to the quarter, the rioters would probably have been dispersed. To have sent the tribal sowars without their masters would probably have been useless, as it is likely that they would have plundered like the other troops. Of course, the two brothers, believing the riot to be instigated by Soulet-ed-Dowleh, feared that they would be specially marked out for the rioters' bullets. Of the two, Nasr-ed-Dowleh certainly displayed the more courage, for in the afternoon, at any rate, he took possession of the quarter with his men. The municipal guards sent to the quarter in the morning do not appear to have made any serious attempt to drive out the rioters. The authorities, taken by surprise, undoubtedly lost their heads. They also feared, with the few reliable troops at their disposal and with Soulet so near the town, to attack the unpaid, disaffected soldiers, who, if many of them had been killed, might have gone over to Soulet.

The riot was undoubtedly artificial, and the rioters were evidently obeying a *mot d'ordre*. It appears that the corpse displayed by the rioters was that of a Jewish girl which they had dug out of the Jewish cemetery. It is quite obvious that this riot was provoked by one or the other of the two parties, whose enmity is responsible for the miseries of Fars. Of course each party throws the guilt on the other. It is, however, almost inconceivable that the Kawamis should be the culprits. They are in power, and have everything to lose by disorders in the town, which might bring about their downfall. Their position, with Tehran's enigmatic inaction, with their ignorance of the Government's intentions, with the presence of Soulet close to the town, with an unpaid, inefficient garrison, was already very insecure. To have stirred up a riot themselves would have been suicidal madness. Moreover, being in authority, all the responsibility for disorders would be with them. The only reason they could have had in instigating a riot would have been to implicate and discredit Soulet. It is difficult to believe that they would have risked their all for such a vague, problematic advantage. Besides, I saw both Nasr-ed-Dowleh and Kawam in the early part of the riot, and there was no doubt as to their terror: blanched faces and trembling limbs can ill be imitated. Moreover, the hooligans who created the riot were not those who have been employed in the past by the Kawamis for disorders. They were mainly from the quarter in which Seyyid Abdul Hussein Lari resides, and have always been used by the anti-Kawami party.

In my opinion Soulet was responsible for this riot. As anticipated in my previous reports, disorders instigated by him had long been expected. Several obvious attempts to provoke disorders had already been foiled. Moreover, Soulet had everything to gain by stirring up disorders against Kawam. His object is evidently to create a situation so intolerable that the Persian Government will be forced to accord him whatever he wishes. His closing of the Bushire road is a part of this policy. You no doubt remember how, last May, by closing the Jirreh route he was able to force the merchants to telegraph to the Persian Government that they did not want Zafar-es-Sultaneh. His tactics are similar now. By closing up the Bushire road, by creating disorders everywhere, by causing a general feeling of insecurity in the town he hopes to force the unfortunate people to espouse his cause. With a Central Government showing no sign of any interest in Fars, with unrest in the town and the roads closed, the population in despair are compelled to be subservient to Soulet, if only to get a road opened to Bushire and avert actual disorders in the town. To my mind his policy is as clear as day, and I have long anticipated it. For instance, Haji Mirza Hadi, a prominent merchant, told me that Soulet had proposed certain conditions for the opening of a road to Bushire, the chief of which were that the tolls should be increased and that the merchants should telegraph to Tehran asking the Persian Government to entrust the Bushire and Ispahan roads to Soulet, with generally very wide powers in Fars. The merchants, in spite of the loss to trade, were willing to accept the first condition, but demurred to the second on the ground that it is not their business to interfere in politics and dictate to the Persian Government. Similarly, on the day of the riot, Soulet sent two telegrams, shown to you by Mr. King Wood, to Ain-ed-Dowleh and the Medjliss, accusing the Kawamis of having thrown the town into disorder, and asking the Government to give him full powers, in which case, without asking for money or troops, he would expel the mischief-makers, i.e., the Kawamis, and, by restoring order in all Fars, deprive the British of a pretext to intervene. I know who brought these telegrams in from Chenar Rahdar, and it is clear that they must have been drafted about noon at the latest. It is certainly curious that Soulet, before he could have had detailed information of the riot should have been so quick to send such circumstantial

telegrams. If he had no premature knowledge of the riot he certainly, by these telegrams, did his best to make it appear that he had. Of course, without an enquiry, which, under present circumstances is impossible, Soulet's complicity cannot be proved; but the presumptions are, in my opinion, so strong as to amount almost to certainties.

On the evening of the riot the new Cabinet came to the telegraph office in Tehran, but the Ministers, as soon as they heard that Shiraz was quiet, hurried away without listening to the requests of the local authorities. The Fars deputies, who were also at the telegraph office, sent a telegram to Soulet urging him, for the good name of Fars, to recover the property looted from the Jewish quarter by his tribesmen. The telegram was delivered on the morrow, while Soulet was sitting in conference with some of the merchants who wished him to keep open the Firruzabad road. Soulet affected to be much hurt by the accusation that his tribesmen had plundered anything. He broke off the conference with the merchants, and refused to be responsible for any road to Bushire. Of course this was merely a comedy, as, in any case, the season of the Firruzabad road is coming to an end. The muleteers report that the grain is almost exhausted on that road, which, therefore, is no longer so profitable to Soulet. As he will for the next few months be quartered near Jirrah it will now be more convenient for him to open the Jirrah route, that is to say, after he has obtained some of his desiderata by interrupting all traffic with Bushire.

The situation in Fars and in Shiraz is very unsatisfactory. All the roads are now closed to caravan traffic, and the isolated town is in a precarious situation. However, the proclamation of martial law and the departure of Soulet from the neighbourhood of the town have had a good effect on the situation, which, for the moment, has slightly improved as far as the town is concerned. If the Persian Government will only dispatch a Governor-General without further delay the local authorities should be able to maintain order in the town itself. Of course, unsupported by the Central Government, with only about 400 loyal troops, with 1,500 disaffected, unpaid troops, with no money, with Soulet intriguing through Nasr-ul-Mulk, Beha-es-Sultaneh, Amir-ul-Mulk, Seyyid Abdul Hussein Lari, &c., the local authorities are unable to inflict any adequate punishments on the rioters. This impunity will certainly not tend to discourage the disorderly elements, and the local authorities will have to exercise vigilance to prevent another outbreak.

I have, &c.
W. A. SMART.

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No. 6.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 226.)

Sir,

Tehran, December 6, 1910.

I HAVE the honour to enclose, for the information of the War Office, copy of a memorandum drawn up by His Majesty's acting consul at Kermanshah, which deals with the positions of the principal tribes and the more important modifications which have taken place in their relations and policy during the last summer.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 6.

Acting Consul Knox to Sir G. Barclay.

(No. 82.)

Sir,

Kermanshah, November 1, 1910.

I HAVE the honour to transmit herewith, on the occasion of the annual migration of the local tribes to their winter quarters, in the neighbourhood of Kasr-i-Shirin, a memorandum dealing with the actual position of the principal tribes and the more important modifications which have taken place in their relations and policy during the past summer.

I have, &c.
G. G. KNOX.

Enclosure 2 in No. 6.

Memorandum by Acting Consul Knox.

OF the many tribes of Kurdish origin who form the dominant part of the population of North-Western Persia, seven distinct divisions fall within the limits of the Kermanshah province. These are as follows:—

Kalhors.—A Shiah tribe, having their summer quarters in the district of Harunabad and Mahidasht; in winter they migrate to the warm pasture lands between Kasr-i-Shirin and Mandali. Daoud Khan, a capable but illiterate tribesman of obscure origin, seized upon the chieftainship some ten years ago, displacing the former hereditary Ilkhaneh, Mohamed Ali Khan. The latter is still living at Kermanshah, but has few supporters in the tribe. He occasionally serves as a tool in the intrigues of the Governor-General against the present chief. The Kalhors consist of some 10,000 households, and are required to supply a regiment of infantry; this does not, however, at present exist. Their maliat is assessed at 20,000 tomans. Daoud Khan disposes at all times of a force of 2,000 horsemen, which can without difficulty be increased to 4,000. His personal revenue is estimated at 100,000 tomans. He has two residences, one in the neighbourhood of Harunabad and the other in Gilan.

Guran.—This tribe, whose limits reach from Gahwareh in summer to Kasr-i-Shirin in winter, belong by religion to the Ali-ul-Ilahi, an advanced Shiah sect. They consist of some 6,000 households, and furnish a regiment of soldiers. The hereditary chief Hussein Khan, Salar-i-Mansur, disposes of 600 horsemen.

The Sinjahi, in religion part Shiah and part Ali-ul-Ilahi, are established between Jewanrud and Kasr-i-Shirin. From some 2,000 households they furnish 1,000 horsemen, of whom 500 are under the orders of Shir Khan Samsam-ul-Mamalek, the present chief. Habibullah Khan, son of the former chief, Ali Akbar Khan, a cousin of Shir Khan, has recently, at the instigation of Daoud Khan, thrown off his allegiance, and is now contesting the chieftaincy.

Kerendi.—Established in summer near Kerend, and in the winter north of the Kalhors. This tribe amounts to 4,000 households, furnishing to the Government one regiment of soldiers, and to their hereditary chief Iltesham-ul-Mamalek, 450 horsemen. They are by religion Ali-ul-Ilahi.

The Ahmadavand, under the chieftainship or Fath-es-Sultaneh, live chiefly by brigandage. Their summer quarters are in the immediate neighbourhood of Kermanshah, the winter to the north of Kala Sebz. There are 1,000 households, Shiah and Ali-ul-Ilahi, which provide 400 horsemen.

Kuliaii.—A Shiah tribe, without winter quarters, situated between Bisitun and Assadabad. They have 4,000 households with, approximately, 2,000 horsemen. There is no permanent chief, but in his place a governor appointed to Sungur from Kermanshah. This position is at present held by Assad-ed-Dowleh, son of Mohtesham-ed-Dowleh.

The Zenguenah, together with the Osmanavand and two minor tribes, in all 4,000 households, supply a regiment of soldiers. They are permanently established south and south-east of Kermanshah, with no winter quarters. Their chief, Zaher-ul-Mulk Mohamed Reza Khan, has a personal force of 200 sowars. He has considerable influence among the Kuliaii and Ahmadavand.

Apart from these seven main divisions there are many small semi-independent tribes, of whom the most important are the two Sunni groups established near Kasr-i-Shirin, the Bajelan and Sherafbayeri under the chieftainship of Shuja-es-Sultan and Shahab-ul-Mamalek respectively. They live in the vicinity of the oil wells, and provide some 600 horsemen.

The Kakavand, whose limits are outside the technical boundaries of the Kermanshah province recognise no chief. They live principally by brigandage, and serve frequently as scapegoat for robberies committed in their vicinity by other Lurs.

The limits of these tribes are thus confined to a narrow strip of territory, reaching in summer to the Hamadan Mountains and in winter to Mandali and Kasr-i-Shirin. Their livelihood is gained by breeding baggage animals, cattle, and sheep, supplemented in many cases by brigandage on the high roads or raids on the villages of the more sedentary population. The Kuliaii, Ahmadavand, and Kakavand are particularly notorious for their predatory habits, for which their situation is most advantageous. The Kalhors, on the other hand, though occupying a considerable part of the main road,

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rarely interfere with traffic, confining their attentions to petty robberies or organised attacks on villages, preferably those of the Sinjabi, with whom they have long been on terms of open hostility. These latter are taxed to the utmost to defend themselves against this powerful neighbour.

During the past summer considerable modifications have taken place in the relative position of these tribes, as also in the external influences which to some extent control their policy. The one internal event of serious significance is the greatly enhanced importance of the Kalhors, while externally, the revolt of Amanullah Khan from his allegiance to the vali, the predominant position of Sardar Akram on the north-western border of Luristan, supported by a hitherto unknown cohesion among the Lur tribes, and the alliance between Samsam-ul-Mamalek, Sinjabi, and Ibrahim Pasha, may all not improbably react in great measure on the Kermanshah province.

It is very generally believed that there is at least a tacit understanding between Daoud Khan and Sardar Akram to lend one another mutual assistance in the case of attack, and in the event of action being taken by the Persian Government against Daoud Khan this might entail grave consequences. On the other hand, Daoud Khan stands in a somewhat precarious position towards the vali, on account of his open support of Amanullah Khan, and, should this chieftain take active measures, it is most unlikely that Sardar Akram would come to his aid after his own unpleasant experience three years ago of the strength of Pusht-i-Kuh.

More serious, however, than this reputed agreement is the alliance of the Sinjabi with the Jaf-i-Muradi. Ibrahim Pasha has, it appears, given a definite undertaking, supported by substantial pledges, to afford more than adequate assistance to Samsam-ul-Mamalek in the event of an attack in force by the Kalhors. Fighting has already taken place near Kasr-i-Shirin, and Habibullah Khan, the Sinjabi Pretender, supported by Daoud Khan's horsemen, has been temporarily repulsed. Everything, however, points to a renewed attack in greater strength, and the local population are most apprehensive, many having taken refuge in and around the customs buildings. Should such a movement take place it may quite conceivably give rise to complications of an international character (any Turkish incursion near the main road having a far more ostensible importance than the continuous encroachments in outlying districts, which pass almost unnoticed), and would in all probability lead to a protracted dislocation of traffic, which, in view of the impracticability of the southern roads, could not but cause much damage to our trade.

The centre point of the whole situation is thus the supremacy of the Kalhors. Ever since Daoud Khan gained the chieftaincy of this tribe their power has been steadily increasing, until, after the defeat of the governor's troops in June, and the subsequent unsatisfactory settlement, it has now become paramount. At the present moment, among all the tribes previously mentioned, that part alone of the Sinjabi who hold by Samsam-ul-Mamalek are definitely opposed to Daoud Khan, while the Kerendi profess a half-hearted allegiance to the Government. The remainder are all more or less openly allied to him. He has moreover a good understanding with Zaher-ul-Mulk and his family, and, in spite of the news of the latter's recent arrest, the majority of the tribesmen and a considerable party in Kermanshah are sanguine as to his reappointment as governor. It is not altogether unlikely that the great progress made during the past year towards a realisation of Daoud Khan's ambitions may not react to some extent in the same manner as the sudden rise of Sardar Akram, which has been, if not a primary cause, at least a great encouragement to the general anarchy now prevalent in Luristan. Needless to say, in the vicinity of a frontier and an important main road, such conditions would have more far-reaching results.

This surprising ascendancy of the Kalhors must be ascribed entirely to the many conflicting causes which have now to a great extent undermined the formerly remarkable influence of Nizam-es-Sultaneh. The all-important factor in this change is the lack of money, by which the Governor-General's every effort has been hampered. When, in the earlier days of his governorship, he decided that the tribesmen could only be brought to reason by active measures, he was obliged, in order to maintain even a most inadequate force, to make considerable advances from his private purse, and to supplement these by unsatisfactory promises of payment from an already heavily mortgaged maliat, the administration of which moreover was in the hands of a personal enemy, whose constant intrigues seem to have been looked on without disapproval by the central Government. After displaying for a few months great energy, and winning for himself a most wholesome respect, Nizam-es-Sultaneh was finally compelled to realise the emptiness of all promises of support made to him by the Persian Government. He was then seized with doubts as to the ultimate reimbursement of his early expenditure, and in order to put an end to this, and at the same time to secure a proffered

bribe of 5,000 tomans, he concluded with Daoud Khan the unfortunate agreement which terminated the active operations of the early summer. Even before this he had suffered considerably from the intrigues of many of the leading men here, whose interests and sympathies were closely allied with those of Zaher-ul-Mulk, the ex-governor, and further from a continual undermining of his authority by the petty pretensions of the three newly constituted municipal institutions, whose costliness and inefficiency were alone sufficiently harmful. The unwarrantable claims of these functionaries appear to have met with the full support of the Government, who seem furthermore to have given no tangible satisfaction to the very reasonable complaints of Nizam-el-Sultaneh against his personal enemies, nor to his constant demands for moral and material aid. His former authority has thus by now dwindled almost to extinction. Whatever therefore the consequences of this neglect may be, the blame should attach entirely to the central, and not the local Government.

Many sweeping reforms would thus seem needful to ensure any at all final solution of the present unsatisfactory situation. It would nevertheless seem possible that, if the Persian Government were to take the matter seriously in hand, Nizam-es-Sultaneh would still have a reasonable prospect of putting an end to Daoud Khan's dangerous preponderance. It would primarily be essential that a considerable sum of money should be placed at the governor's disposal, and that adequate precautions should be taken to ensure that too great a part of this would not be diverted towards the recuperation of his early expenditure, and, above all, that this sum should be obtained from a source which would render it immune from the ravages of local greeds and jealousies. The course, constantly suggested by Nizam-es-Sultaneh himself, of supplying him with troops from outside his province, would appear a good one, but this also has many drawbacks. It would seem unlikely that the Persian Government could, for some time to come, spare an adequate force, and even should this be forthcoming, the presence of strangers, and more particularly Bakhtiari, might work dangerously on tribal susceptibilities. Perhaps, however, the most satisfactory solution, and one that Nizam-es-Sultaneh appears long to have been aiming at, would be that, after the Governor-General has been allowed real facilities for raising locally a sufficient force, the Persian Government should hold out to the Vali of Pusht-i-Kuh some attraction capable of inducing him to throw in his lot with the Government. This course would not seem unduly dangerous, since, on any previous occasion when the forces of Pusht-i-Kuh have shown activity outside their own territory, their action has been rapid and decisive, and has invariably been followed by a speedy retirement within their own borders.

G. G. KNOX.

Kermanshah, November 1, 1910.

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No. 7.

Sir G. Barclay to Sir Edward Grey.—(Received January 2, 1911.)

(No. 228.)

Sir,

Tehran, December 18, 1910.

WITH reference to my despatch No. 209, my telegram No. 469, and your telegram No. 352 of the 12th, 15th, and 22nd ultimo respectively, I have the honour to transmit further documents in regard to the intention of the Anglo-Persian Oil Company to drill for oil in Mohammerah territory and the expediency of coming to a friendly understanding with the sheikh with regard thereto.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 7.

Consul-General Cox to Sir G. Barclay.

(No. 81. Confidential.)

Sir,

Bushire, November 6, 1910.

WITH reference to my despatch dated the 2nd October, 1910, I have the honour to submit, for your Excellency's information, a copy of correspondence on the subject

of the intention of the Anglo-Persian Oil Company to bore for oil in Mohammerah territory and the expediency of coming to a friendly understanding with the sheikh in regard thereto.

I have, &c.

P. Z. COX, *Lieutenant-Colonel, British Resident in the Persian Gulf.*

Enclosure 2 in No. 7.

Acting Consul Wilson to Consul-General Cox.

(Confidential.)

Sir,

Mohammerah, October 28, 1910.

WITH reference to the correspondence ending with my letter dated the 27th August, 1910, I have the honour to forward copies of further correspondence which has reached me on the subject of the proposal of the Anglo-Persian Oil Company (Limited) to drill at or near Ahwaz.

2. It will be seen that the managing director is prepared to put before his board a proposal that the company should undertake to pay to the sheikh 3 per cent. on the profits of any oil obtained within his territory, and asks for an expression of your views on this proposal.

3. It appears that this proposal was in Mr. Lloyd's mind when the agreement between the company and the sheikh was in the making at Ahwaz, and as it is substantially the same as the present arrangement between the company and the Bakhtiari khans, it is difficult to understand Mr. Lloyd's statement that "it was not in his mind at all that this friendly arrangement should be on the basis which was made by the company with the Bakhtiari." I submit, therefore, that my interpretation of the undertaking, as given in my letter of the 26th August to the company, is substantially accurate.

4. If this arrangement be agreed to by the board, I foresee no difficulty in negotiating a mutually satisfactory agreement between the sheikh and the company, the rent for the lands being nil until oil is struck and not over 1*l.* per acre if this contingency should fortunately occur.

I have, &c.

A. T. WILSON, *Lieutenant, I.A.*

Enclosure 3 in No. 7.

Messrs. Lloyd, Scott, and Co. to Acting Consul Wilson.

Mohammerah, August 30, 1910.

WE have the honour to acknowledge and thank you for your letter of the 27th instant, contents of which we have carefully noted. We will submit your letter to our directors for their consideration, but we have the following remarks to make in connection therewith:—

So far as this company is concerned, his Excellency the Sheikh of Mohammerah has no *locus standi* in the matter. The Persian Government sold in 1901 certain rights and privileges to this company. As you are aware, a very heavy price was paid for these. If, on the company proceeding to exercise these rights, obstruction is placed in its way by a second party who claims that the Persian Government sold to him also the same rights and at a heavy price, the company's recourse against such obstruction lies not with that second party, but with the Persian Government.

This seems to us to be a case where the company must, if and when it becomes necessary, rely on Tehran to accomplish its aims, looking to the fact that it merely seeks to exercise a right bought from and paid for to the Persian Government.

And such pressure can very well be brought to bear when it is borne in mind that any claim for damages put forward by the company for failure of the Persian Government to secure for it free of obstruction all rights under its concession, can, if necessary, be enforced by forfeiture of the share in profits to which the Persian Government would in due course become entitled.

We are unaware what price his Excellency the Sheikh of Mohammerah paid in 1903 to the Persian Government for rights apparently sold in 1901 to the company, but

we think it very improbable that he gave a greater *quid pro quo* than the company has done, so that however much his Excellency the sheikh claims that his rights must be respected the company is in a very strong position to insist that its prior rights must also be respected. Looking, however, to the fact that his Excellency the sheikh did not claim mineral rights in June-July 1909, we think it unlikely that he will claim them now.

It appears to us likely that had he seriously considered he had any claim to mineral rights in June-July 1909, he would have produced his firmans at that time, especially as you report that he had a general recollection that he had complete rights.

We think you will agree that it would be very unlike his Excellency the sheikh to give up anything that he thought he could legitimately claim or, possibly illegitimately get by "bluff." Undoubtedly this company would expect to be compensated, if it were necessary to pay a second time for what has already been purchased, but then the company does not propose to act in any such manner.

We are instructed, as already advised you, that henceforth the directors propose to act strictly on the lines of the concession. Paragraph 8, first sentence of your letter appears to us to contain the crux of the position. You suggest financially interesting his Excellency the sheikh in the prosperity of the wells at Ahwaz, if worked. The company has already given an undertaking to make some amicable arrangement with him in the event of oil being tapped (naturally in the commercially paying quantities, as you presume), but that has nothing whatever to do with the company's right under its concession to prospect for oil at Ahwaz.

We cannot agree with your remark that the company has been unhampered by the slightest local opposition, but that is a matter into which we need not enter here. We do not consider it necessary at all for the company to threaten his Excellency the sheikh with the wrath of the central Government at Tehran. We consider it necessary to threaten Tehran, and if and when the sheikh obstructs the company in exercising its rights purchased from the central Government, our opinion being as first stated above, that from the company's point of view the sheikh has no *locus standi* in the matter.

We are sure the directors will give the subject-matter of your letter under acknowledgment their very careful consideration, but their instructions to us indicate the unlikelihood of their agreeing to pay anything to his Excellency the sheikh in excess of the surface value of the land taken up for the purpose of working oil at Ahwaz.

Enclosure 4 in No. 7.

Messrs. Lloyd, Scott, and Co. to Acting Consul Wilson.

Mohammerah, October 26, 1910.

IN connection with past correspondence on the subject of this company's proposal to drill for oil at Ahwaz, we have the honour to attach hereto extracts from letters received from the managing director, dated the 23rd and 30th ultimo.

In accordance with the final sentence thereof, we will be grateful if you will forward the attached papers to the honourable the political resident, and seek on our behalf, any expression of his opinion or comment, which he may wish to make.

Enclosure 5 in No. 7.

Extract from Letter dated September 30, 1910.

Concession.—With reference to your correspondence with Lieutenant Wilson on the question of the sheikh's rights, I would point out that the firman of January 1903 only granted "the said lands" and "to exercise in the said lands the possessory rights of ownership of every kind." This in most grants of this nature in other countries does not cover "mineral rights," which are usually held as being the property of the original owner, unless specifically mentioned in the grant. Therefore the sheikh's claim is weak in two respects:—

1. His firman is of later date than our concession, and therefore was subject to the latter; and

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2. There is nothing to show that the Persian Government, in granting that firman, ever intended to part with the mineral rights, which, moreover, at the date of the firman, were not theirs.

However, it is obviously to our interest to maintain the good-will of the sheikh, and if we can, without in any way admitting any rights on his part to minerals, get him to agree to some such arrangement as that suggested in my last letter it will be considered by my board. I should, however, like to get (through Lieutenant Wilson) an expression of Colonel Cox's views on the subject, as any suggestion from him would, I know, carry great weight with my co-directors.

Extract from Letter dated September 23, 1910.

Drilling at Ahwaz.—With reference to the correspondence exchanged between yourselves and Lieutenant Wilson, Mr. Lloyd states that the undertaking given to the sheikh was neither more nor less than as stated in Colonel Cox's note, viz., that "the company would be inclined to come to some friendly arrangement with him"—and that it was not in his mind at all that this "friendly arrangement" should be on the basis of that which was made with the Bakhtiari under quite different circumstances. He, however, points out that Lieutenant Wilson was not present at the portion of the interview when this point was discussed, but only came in at the end, when all the points had been settled.

He says that what he had in mind was that the sheikh might be given in some form or other the equivalent of the "3 per cent. on profits" which is what the Bakhtiari will obtain by means of the shares they are to receive. The difficulty is that these profits cannot very well be defined in a way that would probably be satisfactory to the sheikh, without the formation of a separate company—a step which my directors would not for a moment consider at the present time—but if you think the sheikh would be satisfied with an undertaking from us to pay him 3 per cent. on the profits of any oil obtained within his territory (such territory to be clearly indicated and not to be open to question)—such profits being based upon the same price for crude oil as is paid to the Bakhtiari Oil Company, and the Anglo-Persian Oil Company's statement of these profits being accepted by the sheikh as conclusive and final, without any question—I will put the proposal before my board, although I have no reason for supposing that they would approve of such an arrangement and that they might not rather abandon altogether the idea of working at Ahwaz.

Enclosure 6 in No. 7.

Consul-General Cox to Acting Consul Wilson.

(Confidential.)

Sir,

Bushire, November 6, 1910.

I HAVE the honour to refer to your letter dated the 28th October and previous correspondence in connection with the plans of the Anglo-Persian Oil Company for the inception of boring operations in the territorial limits of the Sheikh of Mohammerah, and the terms which should or should not be made with him in case of oil being tapped in paying quantity.

2. In expressing his own ideas regarding—

(1.) The nature of the present rights of the sheikh and his tribesmen in the soil;

(2.) The terms which might fairly be offered him by the oil company as an amicable satisfaction of them,

the managing director is good enough to say that he would be glad to know my personal views.

3. A pronouncement in regard to the former problem seems to involve the investigation and settlement of both the following points:—

(a.) The precise nature of the tenure and rights, if any, over and in the soil enjoyed by the sheikh and his tribes, anterior and to the time of the grant by the Persian Government of the D'Arcy concession.

(b.) The precise rights of the sheikh and his tribes in the soil since the grant of the former's firman in January 1903, and how far they hold good against the rights of the oil company under the D'Arcy concession.

Then again the following two queries seem to be suggested by the record:—

(c.) The company having in the agreement with the sheikh of the 16th July, 1909, acknowledged that the right to treasure trove is vested in the sheikh; could they make good to him the argument that the cognate right in regard to minerals is not also vested in him?

In this connection I would point out that in framing article 13 of the agreement which was finally concluded between the company and the Sheikh of Mohammerah, Mr. Lloyd and I in consultation were at pains, in the interests of the company, to alter the wording of the article on this subject numbered (11) in the draft sent to His Majesty's Foreign Office with Mr. Wallace's letter of the 9th June, 1909, and to omit any pregnant allusion to minerals.

The managing director's draft ran:—

"(11.) The company as lessees of the land agree that all treasure trove throughout the lands leased to the company belongs to the sheikh alone. By 'treasure trove' is meant *gold and silver or precious metals in a natural state*, or coins or objects of antiquity of the same metals."

In the agreement concluded this became:—

"(13.) The company as lessees of these lands agree that all treasure trove throughout the land leased to the company and other lands given under this agreement belongs to the sheikh alone. By 'treasure trove' is meant coins, jewellery, and objects of antiquity."

It will be noted that the words in italics were omitted.

(d.) Is it usual or necessary to regard the right to allow or disallow boring for oil as a "mineral right" properly so called? In fact, is the question of the possession or non-possession by the sheikh of "mineral rights" generally, involved at all in the present project under discussion?

I do not feel qualified to give an authoritative answer on any of these four questions, and merely indicate them to make it clear that, according to my lights, the determination of the real position of the sheikh and the company in regard to the question of the oil boring and "mineral rights," would be by no means a simple matter.

4. Holding this view, I cannot help thinking that were the company, in connection with their contemplated boring operations, to raise acutely the question of the incidence of "mineral rights" generally in Mohammerah territory, His Majesty's Government would be a good deal embarrassed to decide what attitude to adopt towards it, and it would further seem to me probable that in regard to the larger question, British interests might be found to lie in the opposite direction to the interests of the company in the particular project under consideration.

What I mean is this. It would apparently be much more to our advantage, having regard to the strong position which we occupy with reference to the ruler of Mohammerah, to contend that the sheikh did enjoy "mineral rights" in his territory, in which case any future exploitation of minerals therein would, if we maintain our present predominant influence, naturally fall to British enterprise alone, rather than to concede that the central Government possessed the said rights, in which event the possibility of their placing some mining concession in Arabistan in a foreign quarter, over the heads of the sheikh and ourselves, could not be precluded.

But my suggestion is that the right to allow boring for oil is not necessarily, if usually, included in the term "mineral rights," and that it is at all events advisable in this case to disassociate the two if possible; and secondly, that it would be to the company's own interests not to raise the specific issue or dissect the question of the sheikh's precise rights, in either case in the present connection, but to have recourse to the alternative of an amicable compromise with him.

5. Speaking of the form which an amicable arrangement might take, the managing director suggests that the company might pay the sheikh the surface value of the ground taken up and allow him something equivalent to 3 per cent. on the profits derived from the sale of the crude oil extracted in his territory, the figures of the company to be based on the price paid for the crude oil to the Bakhtiari Oil Company, and to be accepted without question by the sheikh.

I find it difficult to express an opinion as to the fairness of this offer, or as to whether, if the sheikh referred to us for advice, as he would be sure to do, it would be

one which we could press him to accept without fuller knowledge of the portent and probable results in practice of the arrangements in operation with the Bakhtiari. Perhaps the managing director or the company's agents would kindly supply further information on these points. I gather that the Bakhtiari company and the exploitation company are merely offshoots of the main company without any separate interests, and, if so, it would seem that the business interests of the Anglo-Persian Oil Company would lie in working the Bakhtiari company at no profit; the profit only occurring at the stage where the oil came to be handled by the parent company.

I quite sympathise with the latter. Having paid their price to the central Government for their concession, they naturally resent being called upon to repeat payments in other quarters for their privileges; but in this case we have to deal not with abstract truths, but with the actual conditions represented by an impotent central Government and an Arab sheikh enjoying a large measure of administrative independence. The effect of these conditions is to my mind that the company's best interests would suffer, and our national interests as well, if they are to pursue their enterprise through the Persian Government in spite of the sheikh; and that, in the particular matter under reference, the sheikh would certainly ask our advice upon the terms offered him by the company. It is clearly necessary, therefore, that we should understand fully the real value to him of the terms offered, and that they should be such that, if referred to, we could honestly advise the sheikh that his interests were met thereby, and that he should accept them in satisfaction.

6. This is the aspect in which the questions at issue present themselves to me, and I shall be glad if you will communicate my views to the company's agents at Mohammerah with my compliments, asking at the same time that it be understood that they are given with diffidence for what they are worth, and that I am quite unable to conjecture how far His Majesty's Government would or would not be inclined to endorse them. They are based on the belief that in their treatment of the rulers of Mohammerah, with whom, throughout the life of their distinguished enterprise, they will presumably be in the closest direct intercourse, a policy of dignified conciliation, within reasonable limits, will serve the permanent interests of the Anglo-Persian Oil Company, as well as our natural interests, present and future, far better than one of a contrary character.

I have, &c.

P. Z. COX, *Lieutenant-Colonel, Political Resident in the Persian Gulf.*

Enclosure 7 in No. 7.

Acting Consul Wilson to Consul-General Cox.

Sir,

Mohammerah, November 9, 1910.

I HAVE the honour to refer to the marginally cited correspondence* on the subject of the proposal of the Anglo-Persian Oil Company (Limited) to bore for oil at Ahwaz, and to forward in this connection a copy of a further communication, dated the 8th November, which I have received from the managing agents of the company on the subject, together with a copy of my letter in reply thereto.

2. It will be seen that the company, in violation of the second part of article 3 of their concession,† propose to start work in the sheikh's lands, without committing the company to any specific promises to the sheikh, and to temporise with him in the matter of terms, and in fact deceive him, with the object of enabling them to bring pressure to bear on him from Tehran. Sooner than accede to such terms as they granted to the Bakhtiari khans, they would, if necessary, abandon all idea of drilling in the sheikh's territory, a course, I need hardly add, which would meet with the enthusiastic concurrence of his Excellency, who is by no means anxious to see any more of the oil company's activities than he does already.

* Residency telegram of June 10; Residency letter of October 2 to Foreign Department (copy sent to Tehran); and Mohammerah consulate letter of October 28, 1910.

† Translation of extract from concession: "The Government grants also to the concessionaire the right to acquire all other lands or buildings necessary for the same object, with the consent of the proprietors, on terms which shall be arranged between him and them, without the latter being allowed to raise claims of a nature to surcharge the price ordinarily current for the lands situated in their respective localities."

3. I have submitted a detailed statement of the sheikh's position in the matter in the correspondence cited above, which came under review in your letter of the 2nd October to the Government of India; it seems therefore unnecessary for me to discuss the subject further, and I would beg that I may receive instructions as to the attitude that I should adopt in the matter, as I can scarcely doubt that the sheikh will not permit any work to be done by them in the said lands until the company has concluded an agreement with him, as provided for in article 3 of their concession.

4. I have forwarded of this communication, together with copies of my despatch of the 28th October, and of the sheikh's firman for the Ahwaz lands, to His Majesty's Minister, Tehran.

I have, &c.

A. T. WILSON, *Lieutenant, I.A.*

Enclosure 8 in No. 7.

Messrs. Lloyd, Scott, and Co. to Acting Consul Wilson.

Mohammerah, November 8, 1910.

WE have the honour to advise you, in connection with this company's proposal to commence drilling operations for petroleum on the hills at Ahwaz, that the question of an arrangement to be made with his Excellency the Sheikh of Mohammerah has now been fully considered and discussed by the board of this company.

It has been decided that the course to be followed is for us to start our work at Ahwaz without committing the company to any specific promises to his Excellency the sheikh, and, if and when his Excellency the sheikh raises any objection, we will immediately stop work and appeal to the Government at Tehran.

Our directors are, however, anxious that no action should, on any account, be taken by us in opposition to his Excellency the sheikh, or that we should have any dealings with him in the matter of "terms," so creating a position which will enable us to represent to the Persian Government that they must take the necessary steps for placing us in a position to carry out the objects of the concession purchased by this company from the Persian Government.

As to the "terms" which this company would be ultimately willing to make with his Excellency the Sheikh of Mohammerah, we are instructed that the arrangement of these can be left till a later date, but the feeling of our directors is that, in no event, would they be disposed again to agree to such terms as they were, under force of circumstances, compelled to grant to the Bakhtiari khans, even in the form indicated by our managing director in his letter of the 23rd September, an extract from which we sent you with our letter of the 26th ultimo.

Our directors further instruct us that, should any such terms be demanded by his Excellency the Sheikh of Mohammerah and, or, the Persian Government, they would, rather than accede to them, and if no other course were left to them, abandon all idea of drilling in his Excellency the sheikh's territory, so leaving any oil there may be in such territory *in statu quo*, since under the terms of the company's concession, it would not be practicable for anyone else to take it away.

Enclosure 9 in No. 7.

Acting Consul Wilson to Messrs. Lloyd, Scott, and Co.

Gentlemen,

Mohammerah, November 9, 1910.

I HAVE the honour to acknowledge receipt of your letter of the 8th November, on the subject of the proposal of the Anglo-Persian Oil Company to drill for oil at Ahwaz, and of the intention of your board to do so without previously coming to a definite arrangement on the subject with the sheikh.

2. His Majesty's Minister will be apprised in due course of the attitude and intention of your company in the matter. In the meanwhile it is my duty to warn you that I consider the action proposed to be contrary to the second clause of article 3 of Mr. W. K. D'Arcy's concession, and ill-calculated to further the interests

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of your company in Arabistan. Further, that I shall, as at present advised, be unable to support you in the course you now propose, and that any action you may take in pursuance thereof will be upon your sole responsibility.

I have, &c.

A. T. WILSON, *Lieutenant, I.A.*

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No. 8.

Sir G. Buchanan to Sir Edward Grey.—(Received January 2, 1911.)

(No. 499.)

Sir,

St. Petersburg, December 27, 1910.

IN the course of the conversation which I had with the Minister of Foreign Affairs yesterday, his Excellency told me that the latest proposals which the Persian Government had submitted to M. Poklewsky for the settlement of the question of the conversion of the Russian debt were still under the consideration of the Minister of Finance. They had reference to the further sources of revenue which were required to supplement the receipts from the northern customs in the event of the latter falling short of the amount of interest with which they were charged. The Persian Government seemed disposed to meet the wishes of the Russian Government on this point, but, if I understood M. Sazonow aright, they desired that the engagements which they were prepared to take should only be put into execution in two years' time, while M. Kokovtsoff wished to give effect to them at once.

I took the opportunity of again suggesting to M. Sazonow that a settlement of this long-pending question might afford Russia a reasonable pretext for withdrawing her troops from Kazvin. His Excellency replied that he would be only too glad if he could see his way to do so. They would, he added, have been withdrawn some time ago had not M. Poklewsky been so ill-advised as to attach to their withdrawal the condition that Russia's demands with respect to the prolongation of the mining concession and the importation of motor-cars must first be satisfied.

I have, &c.

GEORGE W. BUCHANAN.

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No. 9.

Mr. Marling to Sir Edward Grey.—(Received January 2, 1911.)

(No. 929.)

Sir,

Constantinople, December 28, 1910.

WITH reference to my despatch No. 912 of the 20th instant, I have the honour to forward herewith a despatch from His Majesty's consul at Erzeroum reporting further on recent fighting at Khoi, on the Turco-Persian frontier.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 9.

Consul McGregor to Mr. Marling.

(No. 99. Confidential.)

Sir,

Erzeroum, December 18, 1910.

IN view of the reticence of the Turkish authorities here regarding what is taking place on the Turco-Persian frontier, I venture to submit to you the following extracts from private letters which I have received to-day from Mr. Safrastian, acting vice-consul at Bitlis, who tells me that his information is derived from Tahsin Bey, military commandant at Bitlis:—

"You probably know that some notorious Kurdish brigands in Van—Mir-Mené, Sadik, Jaffer, Kadir, &c.—had fled last summer to Persia, and, like Haideranli Hussein Pasha, had taken refuge at Maku, under the protection of the sirdar in that place. These were the Kurdish brigands, in addition to a certain Saïd Bey, of Mandan, for the capture of whom the Government of Van sent in August last some thirty Armenian fedais armed with Government weapons. On Persian soil, however, these brigands did

not keep quiet. They raided several frontier villages and did a good deal of harm to the undefended peasantry.

"At the beginning of October last the Vali of Van sent Mehmed Effendi, the chief of police in that town, to Maku to demand the delivery of these brigands from the sirdar. The sirdar is said to have replied that he did not harbour such disreputable persons; on the other hand, he suggested to Mir-Mené and others to hide themselves in the district of Khoi.

"Mehmed Effendi returned to Zorovad, the Turkish military head-quarters in Persian territory, and asked the commandant there to send military contingents to pursue the Kurdish brigands in question, who, in his opinion, were strolling in the neighbourhood of Khoi. Conflicts took place between these contingents and the Kurdish brigands, aided by Persian soldiery and Kurds. Serious losses are reported on both sides. Then the chief of police returned to Van empty-handed.

"About three weeks ago another bloody encounter took place near Khoi which lasted three days. Perfect insecurity prevails on the whole length and width of the Persian frontier."

Mr. Safrastian's informant further gave him to understand that the Turks intend to propose the Lake of Urumiah as a line of demarcation between Turkey and Persia.

I have, &c.

P. J. C. MCGREGOR.

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No. 10.

Sir G. Barclay to Sir Edward Grey.—(Received January 2.)

(No. 1.)

(Telegraphic.) P.

Tehran, January 2, 1911.

SOUTHERN roads note.

Please refer to your telegram No. 369, dated the 30th December, and to my telegram No. 513, dated the 29th December.

I propose to consider the five measures enumerated in note from Persian Government in their order.

(1.) The Governor-General Designate of Fars, Nizam-es-Sultaneh, has shown himself to be a capable provincial governor in the past. He started for Shiraz from Kermanshah at the end of November, and is expected shortly to arrive at Bushire.

(2.) In this connection please see my telegram No. 514, dated the 30th December. I forwarded in my despatch No. 237 of the 27th December, and due in London the 11th January, a despatch from Lieutenant-Colonel Cox, pointing out the probable ephemeral character of Soulet-ed-Dowleh's co-operation with Persian Government for the protection of the main route. His Majesty's consul-general is of opinion that any programme, in order to offer a hope of permanent improvement, must include the location in Fars of a large force of regular troops, to put the local governor in a position to enforce authority without having to turn to tribal chiefs for assistance. His Majesty's consul-general adds: "Existing chaos has taken years to evolve, and by any means which Central Government can unaided bring to bear can be effectively remedied in no shorter time."

(3.) It is reported that force from Tehran has passed Kashan *en route* for the south. No precise information has reached me with regard to the three regiments which are to reinforce it at Ispahan, but Acting Minister for Foreign Affairs assures me that 2,500 men will leave the former town for Shiraz without delay.

(4.) Hussein Kuli Khan informed me that the Government proposed to set aside 1,500,000 tomans in order to re-establish order in the south of Persia. For the purpose of deciding the portion of proceeds of loan to be devoted to each Ministry a committee has been formed. A system of control is also to be elaborated by this committee, which includes five Europeans from the customs and postal administrations.

(5.) I understand that the European officer referred to as now serving under Persian Government is an Italian, General Maletta, who has drawn pay from Persian Government for a long time. I have no great confidence in his capacity. With regard to officers to be borrowed abroad to reorganise the gendarmerie, no authoritative information is available as to the country to which an application will be made now that proposal made to Italian Government has been refused, but at one time it was

certainly proposed to turn to Sweden, and it is still probable, I believe, that such a course will be adopted.

Provided that the Persian Government perseveres in its endeavours to support Nizam-es-Sultaneh with troops, and places itself in a position to do so by obtaining the consent of the Medjliss to the loan which the Imperial Bank of Persia is willing to make, the new Governor-General of Fars should, before the end of the winter, have at his disposal a body of troops of sufficient strength to give him a fair chance of dealing with the situation with, or independently of, the assistance of Soulet-ed-Dowleh. Money, however, is a *sine qua non*, and unfortunately the prospects of the immediate realisation of the loan are hampered by a certain amount of opposition due ostensibly to fears lest the handling of the funds may not be under proper control, but more probably to the jealousy of parties anxious to benefit thereby. I am, therefore, unable to speak with any confidence of the chances of the Nizam.

To induce the Persian Government to agree to our scheme will, on the other hand, be extremely difficult; my efforts to induce Hussein Kuli Khan to entertain the idea of making a spontaneous application for our officers have proved entirely unavailing. Public opinion probably recognises the special qualifications of Indian officers for such work, but the conviction that Russia would reply with analogous demands in the north if they were engaged is so widespread that there would be no chance of the Medjliss approving a proposal for an application in the sense desired, and I do not believe that the ordinary methods of diplomatic pressure would suffice to induce the Persian Government to accept our scheme, while we might be led further than we wish if we attempt to impose it.

Although the measures enumerated in the note from Persian Government demonstrate that the Central Government is making every endeavour to restore order, it is impossible at this juncture to appraise the value of some of the steps projected.

His Majesty's Government might in these circumstances be disposed to temporise and to watch the further development of the measures to be taken by Persian Government before making any statement with regard to the course they will pursue.

A non-committal reply might in this case be returned to Persian Government. If this meets with your concurrence, I will submit a draft to you on these lines.

The reply should, I presume, state that His Majesty's Government cannot agree to the surcharge on southern customs, at any rate for the present, except as part of their scheme. I think that if you desire to make any reserves with regard to foreign officers they also should be made forthwith. In our reply the attention of Persian Government might furthermore be drawn to the desirability of expediting the conclusion of the loan with the Imperial Bank of Persia.

[309] No. 11.

Sir G. Barclay to Sir Edward Grey.—(Received January 3.)

(No. 2.)
(Telegraphic.) P. *Tehran, January 3, 1911.*

SWEDISH consul-general.

In continuation of my telegram No. 489 of the 27th November, I have the honour to report that General Schindler has written to the Swedish Government, recommending the local manager of the Indo-European Telegraph Company, Mr. Cooper, as his successor.

This appointment would, I consider, be a suitable one.

[318] No. 12.

Sir G. Barclay to Sir Edward Grey.—(Received January 3.)

(No. 3.)
(Telegraphic.) P. *Tehran, January 3, 1911.*

EX-SHAH.

With reference to Sir F. Bertie's telegram No. 1 of the 2nd January, I have the honour to report that the quarterly instalment of Mehemet Ali's pension was paid over to the Banque nationale d'Escompte one day before it fell due, viz., on the 29th December last.

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No. 13.

Sir G. Barclay to Sir Edward Grey.—(Received January 3.)

(No. 4.)
(Telegraphic.) P. *Tehran, January 3, 1911.*

LIEUTENANT-COLONEL COX reports the presence in Bushire of Soulet-ed-Dowleh with 400 Kashgai and of certain other khans with their escorts, making a total of 1,000 armed tribesmen in the town.

Persian Government gives me to understand that these men have collected to meet the Nizam-es-Sultaneh, but Lieutenant-Colonel Cox fears that they will get out of hand if left for long without employment.

At the suggestion, therefore, of His Majesty's consul-general at Bushire, I am pressing Persian Government to send orders to the Nizam, who is expected to reach Mohammerah to-morrow (4th January), to expedite his arrival at Bushire as far as he is able.

At the same time, I have intimated to Persian Government that it would be necessary to land a force for the protection of Europeans from His Majesty's ships now in port if disorders were to break out in Bushire.

A similar warning has been transmitted to both Soulet-ed-Dowleh and to the Governor of Bushire by His Majesty's consul-general at Bushire.

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No. 14.

Sir G. Buchanan to Sir Edward Grey.—(Received January 3.)

(No. 7.)
(Telegraphic.) P. *St. Petersburg, January 3, 1911.*

RUSSO-GERMAN relations.

My telegram No. 3 of the 1st January.

I was told this afternoon by M. Sazonow that a correspondent of the "Novoe Vremya" had come to see him and had asked him how the negotiations with Germany were proceeding. He had told him that he had sent a draft project to Berlin. His remarks had been entirely misrepresented in the article which the correspondent subsequently published in the "Novoe Vremya." It was true that in 1907 the German Government had addressed to the Russian Government a note of the nature indicated in the article, and if any agreement resulted from the draft proposals now submitted to Berlin such agreement would take the form of a reply by Russia to the German note.

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No. 15.

Sir Edward Grey to Sir G. Barclay.

(No. 4.)
(Telegraphic.) P. *Foreign Office, January 3, 1911.*

SOUTHERN roads. Your telegram No. 1 of yesterday.

Please send text of draft reply by telegram.

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No. 16.

Sir Edward Grey to Sir C. Spring-Rice.

(No. 3.)
(Telegraphic.) P. *Foreign Office, January 3, 1911.*

SWEDISH consul-general at Tehran.

Tehran telegram No. 2 of the 3rd January.

I approve recommendation of Swedish consul-general at Tehran.

Please inform Swedish Government unofficially.

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No. 17.

Foreign Office to India Office.

Sir,

Foreign Office, January 3, 1911.

WITH reference to the letter from this Office of the 30th ultimo, relative to the question of the restoration of order on the roads of southern Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's Minister at Tehran,* giving his views as to the measures which the Persian Government have now proposed, and which in part they have already taken, with a view to deal with the situation.

I am to inform you that Sir E. Grey has instructed Sir G. Barclay by telegraph to submit, in accordance with his own suggestion, a draft of the reply which he would propose to return to the Persian Government, and I am to add that as soon as it is received it will be submitted to you for any observations which the Earl of Crewe may wish to offer on the subject.

Sir E. Grey is, however, of opinion that no final decision as to the exact terms of the reply to be returned can properly be taken till the text of the Persian Government's note has been received and considered.

I am, &c.
LOUIS MALLET.

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No. 18.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 231.)

Sir,

Tehran, December 15, 1910.

IT will be remembered that at the time of the recent dissensions amongst the Bakhtiari khans in connection with Sardar Assad's designs against the Kashgai chief, Soulet-ed-Dowleh (see my telegram No. 358 of the 9th September), the Sheikh of Mohammerah showed a disposition to take part in the apparently impending conflict, and that His Majesty's acting consul at Mohammerah, under my instructions, advised him not to interfere in the Bakhtiari quarrels.

I have now the honour to transmit copies of two despatches addressed by His Majesty's consul-general at Bushire to the Government of India on the subject of the sheikh's policy in relation to the Bakhtiaris. As you will notice, the acting consul at Mohammerah, in a despatch enclosed in Colonel Cox's despatch No. 69, surmises that the sheikh's agreement with Soulet-ed-Dowleh, reported in my despatch No. 163, and a subsequent agreement with the Bakhtiari khan, Amir Mufakham, helped to keep the peace between the Bakhtiari and Soulet-ed-Dowleh at a time when a collision appeared inevitable, and that the promises of support given by the sheikh to Amir Mufakham prevented hostilities between the two branches of the Bakhtiaris. However this may be, and although I concur with Lieutenant Wilson in thinking that as we cannot guarantee the sheikh against aggression, we should be as sparing as possible in our advice to him in regard to his relations with the neighbouring tribes, I can only say that on each occasion during the past two years on which such advice has been tendered to the sheikh under instructions from me, the situation appeared to me so serious as to warrant the action taken. Although Sardar Assad and his branch are undoubtedly hostile to the sheikh, I see no indications of any intention on their part to institute a campaign in the Medjliss against him, the possibility of which is foreseen in Colonel Cox's despatch No. 79, but I have informed Colonel Cox that should such an eventuality appear likely I would use my influence to prevent it, and that I see no objection to his conveying a message to this effect to the sheikh.

Lieutenant Wilson, in his despatch, gives an account of the intrigues conducted by Agha Rahim, the Bakhtiari Deputy-Governor of Dizful, on behalf of Sardar Zaffar, Sardar Assad's brother, with the object of seducing Farhan Assad, Chief of the Cha'b Dubais Arabs, from his allegiance to the sheikh. As I have already reported in my telegrams Nos. 485 and 494 these intrigues were successful, and hostilities followed between the sheikh and Farhan, resulting in the latter's taking refuge with the

* No. 10.

Bakhtiaris. The representations which I made on this occasion to Sardar Assad, though they did not lead to the surrender of Farhan, should serve as a useful reminder to Sardar Assad of the interest which His Majesty's Government take in the Sheikh of Mohammerah, and now that I am in possession of the details of the recent Bakhtiari intrigues against Sheikh Khazal I shall seek an opportunity of speaking again to Sardar Assad on the subject, and I shall impress upon his Excellency that any disturbances of the *status quo* in the Sheikh of Mohammerah's territory would be a matter of serious concern to His Majesty's Government.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 18.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 69. Confidential.)

Sir,

Bushire, October 9, 1910.

IN continuation of my despatch No. 66, dated the 2nd instant, I have the honour to enclose, for your Excellency's information, a copy of a further letter, with enclosures, which I have addressed to the Government of India in connection with the relations between the Sheikh of Mohammerah and his tribal neighbours.

I have, &c.
P. Z. COX, Resident in the Persian Gulf
and Consul-General for Fars, &c.

Enclosure 2 in No. 18.

Lieutenant-Colonel Cox to the Government of India.

(Confidential.)

Sir,

Bushire, October 8, 1910.

IN forwarding my last batch of "Shiraz News" under cover of my letter, dated the 2nd instant, I commented briefly on His Majesty's consul's evident want of familiarity with the Sheikh of Mohammerah's position in regard to the Bakhtiaris and Kashgais, and consequent inability to appreciate the difficulties of it. I added that as I was about to visit Mohammerah and should make a point of discussing the topic afresh with Sheikh Khazal, I would prefer to wait until I had done so before writing at length on the subject.

2. It so happens that in the few days which have since elapsed I have received from His Majesty's acting consul, Mohammerah, two communications referring to the same question, in the former of which he gives an interesting résumé of the inner history of recent events and description of the present position. The papers are important, and it seems inexpedient to delay submission of them pending my return from Mohammerah; but time does not admit of my discussing them in detail before leaving. I can only say that, speaking generally, the views which Lieutenant Wilson expresses diverge little from those I urged in the course of the telegraphic correspondence which took place in the spring just before and after my return from leave.

I shall revert to the subject after visiting Mohammerah.

I am sending a copy of the papers to His Majesty's Minister for information.

I have, &c.
P. Z. COX, Resident in the Persian Gulf
and Consul-General for Fars, &c.

Enclosure 3 in No. 18.

Lieutenant Wilson to Lieutenant-Colonel Cox.

(Confidential.)

Sir,

Mohammerah, September 29, 1910.

I HAVE the honour to refer to the subject of the present dissensions of the Bakhtiari khans and the connection of Sheikh Khazal with their disputes.

2. After further conversations with the sheikh and Haji Reis, I now beg to explain to the best of my ability the reasons which have led the sheikh to adopt a policy which appears at first sight to be one of interference in Bakhtiari disputes.

3. I may say at once that the sheikh is most anxious not to become involved in the kaleidoscopic politics of the Bakhtiari khans, and that any action he takes in regard to them is dictated solely by the, to him, imperious necessity of being on the winning side and of preventing the alienation of Arab tribes in the northern part of Arabistan from his influence and rule by the intrigues of nominees of the khans, such as Agha Rahim, now at Dizful.

4. We do not in any way guarantee the sheikh against tribal aggression, and could not possibly do so; it is for him to take such steps as he deems necessary to protect himself from such aggression. I submit that we cannot reasonably object to anything he does in pursuance of such an object unless it is plain that other and greater interests such as the integrity of Persia are threatened by his action.

His relations with the Sardar Assad are too well known to require explanation here, and I will confine my narrative to the attitude adopted by the other khans to him during the year, as made known to me by the sheikh and Haji Reis, and confirmed in many instances by the independent information, in particular by the diaries of His Majesty's consul at Ahwaz.

5. Early this year Farhan Assad, chief of the powerful Arab tribe which lives between the Diz and Shatait Rivers, was the recipient of many letters from Agha Rahim Bakhtiari, on behalf of certain khans, urging him to abandon his allegiance to the sheikh and throw in his lot with them. He took no action at the time on these letters, but sent them to the sheikh.

Simultaneously, Lutf Ali Khan and Yusuf Khan, acting ilbegi and ilkhani respectively, then at Ramuz, were trying to injure him in various ways. A scheme was at one time concocted by these khans, with the assistance of various minor notables, notably, Gul Muhammad and Meshedi Hussein, of Ramuz, to arrange an attack on one of Lynch's specie caravans before it had left the sheikh's territory. Arabs belonging to tribes living in Ramuz, though owing allegiance to the sheikh in some cases, were collected, and instructions given to them how to act, but the scheme was frustrated, I understand, by an Arab who revealed the plot to the sheikh.

6. Shortly after this, the same two khans incited the Gunduzlu tribe to claim the Kharran lands, which are in the occupation of the sheikh's tribes, and the remonstrances of the Sardar Assad and Sardar Muhtasham were powerless to prevent the acting ilkhani and ilbegi from sending sowars into the disputed territory and collecting taxes therefrom. The Sardar Assad, when Minister of Interior, dismissed the claim of the Gunduzlu as baseless, but I believe that the matter is still in litigation in Tehran.

Haji Reis was sent to Ramuz in April (*vide* my letter of the 5th May to His Majesty's Minister) to interview the acting ilkhani and ilbegi, and arrange, if possible, a settlement.

7. He found that the Sardar Assad and the khans belonging to his family, viz., Nejeff Kuli (Samsam-es-Sultaneh), Haji Khusrau Khan (Sardar-es-Zaffar), and Yusuf Khan (Amir Mujehe) were implacably hostile, and that no accommodation or reconciliation with them was possible. He therefore found it necessary in self-protection to make some arrangement with the opposite faction, who were opposed to the Sardar Assad, but would, nevertheless, not be unwilling to join forces with the latter to attack the sheikh, should occasion arise. He made an agreement on about the 28th April with Lutf Ali Khan, whereby both sides agreed to stand by each other and to render mutual assistance whenever the interests of either party were threatened. It will be recollected that a somewhat similar agreement, likewise inspired by suspicion and apprehension of the Sardar Assad's intention, was concluded on the 15th April, a few days previously, between the sheikh and Soulet-ed-Dowleh.

8. No action arose to test the strength of the bonds which were thus forged between the sheikh and his northern neighbours till July, when troubles between the Soulet-ed-Dowleh and Sardar-es-Zaffar came to a head. The latter seems to have obtained permission from the Sardar Assad to commence hostilities, and for a time it seemed that a collision was inevitable.

9. The Soulet-ed-Dowleh telegraphed to the sheikh early in August reminding of his promises, and asking for assistance.

The sheikh happened at the time to have several thousand men under arms at Nasiri for the suppression of the internal troubles of Shushtar, a duty which he had been requested to undertake by the Central Government. He therefore telegraphed that he had everything ready, and would do anything possible to help the Soulet. This telegram was no doubt seen by the Sardar Assad or his friends in power, who have

established, I am informed, an elaborate system of censorship and espionage in the telegraph administration.

All important telegrams by the Persian wire are repeated to Tehran by the telegraph officials, and occasionally (as in the case of the Soulet-ed-Dowleh) orders are issued to refuse any telegrams from one to the other. The prohibition against cypher or code is of course rigorously enforced.

10. Luckily for all concerned better counsels prevailed amongst the Bakhtiari, and the elder khans intervened to prevent a collision with the Soulet. Their action, it appears from Lieutenant Ranking's diary No. 23, was due largely to the attitude of the Amir Mufakham, who declined altogether to be a party to the fighting, and even threatened to attack the Sardar-es-Zaffar's troops in the rear if they persisted in their proposal. I can scarcely doubt that the agreement which Amir Mufakham concluded with the sheikh was to no small extent responsible for his refusal to countenance an attack on the sheikh's ally, Soulet-ed-Dowleh, and it may therefore fairly be claimed that the sheikh's relations with the Amir Mufakham have helped to keep the peace between the Bakhtiari and the Soulet.

11. But, as remarked by Lieutenant Ranking's diary No. 23, the determined action of Amir Mufakham in preventing collision between the Bakhtiari and the Kashgai greatly accentuated the ill-feeling between the rival clans of the former, and hostilities between them were on the point of breaking out early in September, when Amir Mufakham telegraphed to the sheikh begging him to support him by taking active steps against the property in Arabistan of the opposing faction.

12. The sheikh was placed in a difficult position. He was most unwilling to cause trouble in Arabistan by seizing property of the Sardar-es-Zaffar's family, but at the same time he felt that the Amir Mufakham's continued support was of the greatest value to him at the present juncture, and that it could only be secured by active assistance on his part. He was also greatly perturbed by the intrigues which were being actively carried on by Agha Rahim, Deputy-Governor of Dizful, amongst the Arab tribes in Northern Arabistan directly under his sway and jurisdiction.

I will refer later to this question, which still wears a somewhat sinister aspect.

13. The sheikh eventually compromised by confining himself to telegraphing on the 5th September promises of support to the Amir Mufakham. The contents of this telegram came to the knowledge of Lieutenant Ranking (*vide* his telegram of the 9th September), and also no doubt to the Sardar Assad and the other khans, as there is no pretence of secrecy observed by Persian telegraph offices.

This telegram, if it did not actually turn the scale, had no doubt an important effect upon the situation on the Bakhtiari country, for a reconciliation was effected a few days afterwards, and the Sardar-es-Zaffar, who Lieutenant Ranking apparently considers to have been in the wrong throughout, was foiled in his attempt to involve the two families in hostilities.

The matter for the time being rests here, but a recrudescence of hostilities in a few months' time is not improbable.

14. I will now revert to the intrigues of Agha Rahim, Deputy-Governor of Dizful, on behalf of the Sardar-es-Zaffar, mentioned in paragraph 12, *supra*.

For the past year Agha Rahim has been constantly intriguing with Farhan Assad, Chief of the Cha'b Dubais Arabs, and with Haidar-bin-Ghafil, of the Al Kathir Arabs, with a view to seducing them from their allegiance to the Sheikh of Mohammerah. I need not detail the laborious stratagems by which Agha Rahim has attempted to consummate his ambition; his efforts have not yet been crowned with success, but he has disturbed these tribes sufficiently to cause Sheikh Khazal grave anxiety.

Farhan, after three years of peaceful submission to the sheikh, attacked the 'Anafijeh Arabs, who are under the sheikh, some three months ago, broke their dam on the Shaur, which has been constructed at the latter's expense, and ruined several thousand acres of cultivation.

15. The sheikh gave him to understand that he would not hesitate to subdue him by force of arms (the army for the suppression of the Shushtar riots being then in readiness at Nasiri), and on about the 20th August Farhan made his submission at Band-i-Kir, receiving a robe of honour from the sheikh.

Undeterred by this temporary reverse, however, Agha Rahim continued his intrigues.

Ali Naki Khan, his deputy in the Balingan district, began to complain to the khans that Farhan, a subject of the sheikh, was attacking his people and spoiling the crops. Sardar Muhtasham wrote asking the sheikh to restrain Farhan, and offering him, if he desired it, the opportunity of purchasing a share in his Balingan lands.

Sardar-es-Zaffar, likewise deceived by Ali Naki Khan, at Agha Rahim's suggestion, into the idea that Farhan was instigated by the sheikh, wrote to the latter in a different strain, saying that if the sheikh thought that such tactics could win him the governorship of Arabistan he was mistaken, and threatened him with vengeance by indirect means.

The sheikh, believing Ali Naki's complaint, which he had also received direct, to be true, had taken a strong line with Farhan, and threatened him with punishment, refusing to accept Farhan's denial of complicity in the raids. He shortly afterwards discovered that Ali Naki and Farhan had met, showed each other copies of all telegrams received, and made a compact against the sheikh.

16. Not long afterwards he got possession of an intercepted letter from Agha Rahim Bakhtiari to Sardar-es-Zaffar, the original of which I have seen. In this letter Agha Rahim writes that, according to the Sardar-es-Zaffar's orders, he has succeeded in completely alienating Farhan from "our powerful enemy" (i.e., the sheikh), and that the Sardar-es-Zaffar and his associates should send down a promise to assist Farhan if he should openly rebel against the sheikh.

The non-receipt in Ispahan of this letter delayed matters somewhat, but a second letter of similar purport was sent, and the desired undertaking and sealed Korans dispatched. They are now in Farhan's hands.

17. Agha Rahim has also contrived to alienate Haidar-bin-Ghafil of the Al Kathir to some extent from the sheikh by similar means, and consequently, as a direct result of the Sardar-es-Zaffar's intrigues, of which the Sardar Assad is no doubt cognisant, if he is not actually the moving spirit, Northern Arabistan is threatened by serious disturbances. This directly affects two important British interests.

Messrs. Lynch Brothers' steamer at Shalili, 5 miles below Shushtar, and their stores are not unlikely to be attacked, and the oil company's large establishment at Darreh Khazineh, 5 miles below Shalili, and on the pipe-line in the Kharaan (*vide* map) are likely to be endangered. The latter possibility has, I regret to say, already become an accomplished fact. A party of twenty Arabs entered the oil company's camp at Darreh Khazineh by night, and are stated to have stolen about 100*l.* worth of property.

They were pursued by the Parviz Khan, in whose charge the district is, and who supplies the guards to the camp, but got away with most of the loot, though one of them was wounded.

Parviz Khan states that he sent a man to Sheikh Farhan, who is sheltering them, and that Farhan gave him a list of the names of the band.

18. The oil company will no doubt eventually claim the value of the stolen articles from the sheikh, in whose jurisdiction Sheikh Farhan, and probably the robbers, are, but the report on the facts of the case by the local agents of the company at Darreh Khazineh indicates such a culpable neglect of all precautions against robbery, and such apathy after the robbery had been discovered, that I shall be very chary of pressing their claim on the sheikh, particularly as there is nothing in his agreement making him liable for such a loss. For the present, however, they are claiming from Parviz Khan, in whose jurisdiction the theft took place.

19. This is, however, a side issue, and its only bearing on the question under discussion is that it shows that the internal disputes of the Bakhtiari and the Sardar Assad and Sardar-es-Zaffar's ancient hostility to the sheikh have an immediate bearing upon the sheikh's and upon British interests in Arabistan. Further, that the sheikh's policy in intervening in the quarrel and supporting the Amir Mufakham is the course best calculated to keep the peace in Arabistan and elsewhere and prevent loss to British interests.

20. To summarise briefly the conclusions to which I have been led by the events outlined above, I beg leave to express my belief that the present policy of the Sardar Arfa *vis-à-vis* his tribal neighbours is the one best calculated to further his own interests, which are in all respects identical with ours. He desires no increase of territory or jurisdiction, and has repeatedly refused to take over the Governorship of Arabistan, which it is at present impossible for any man to hold with credit to himself. He desires peace and a united hegemony of Arab tribes under his control, than which nothing could be more favourable to British interests. We are unable to guarantee him against the aggression of his tribal neighbours, and in consequence we ought, I think, to hesitate before dictating his policy in regard to his relations with other tribes unless it is plain that greater interests, such as the integrity of Persia, are threatened.

21. The sheikh holds this view very strongly. Our attempt to prohibit his

agreement with Soulet, on pain of forfeiting our friendship, and our warning to him against having relations with the Vali of Pusht-i-Kuh, still rankle in his breast.

He says that we seem to intend to tie his hands and then leave him to swim as best he can, for he is under no delusion as to the improbability of our affording him any effective support were he to be attacked by his tribal neighbours. His agreement with the Soulet and with the Amir Mufakham have, I submit, undoubtedly helped to keep the peace and not to break it, and we have no reason to look with suspicion upon his endeavours to prevent by diplomatic means a general conflagration, in which he might at any moment become involved. That the Sardar-es-Zaffar desires such a conflagration is plain from the intercepted letter of which I enclose a translation.

More British capital has been sunk in Arabistan than in all the rest of Persia, and it is therefore of supreme importance to us to keep the Arab tribes of this province united under the sheikh, and not to suffer the latter's influence or power to be in any way curtailed.

I have, &c.

A. T. WILSON, *Acting Consul.*

Enclosure 4 in No. 18.

Free Translation of Letter from Agha Rahim, Deputy-Governor of Dizful, to Sardar-es-Zaffar and Amir Mujahid, dated 22nd Rajab (July 29, 1910). Intercepted en route and forwarded to the Sheikh. (Shown to His Majesty's Consul for Arabistan by Haji Reis on October 1, 1910.)

I SENT a note to your address some time ago about Farhan and Haidar. I now write again. Dizful is at one with me, and they are going to send a special messenger to encourage the Beni Turuf to rise against the sheikh.

The Sardar Arfa has collected an army at Nasiri and is there, and he is going to take steps to stop Farhan from spoiling our lands.

By the beard of my father and on my head I assure you that all those reports about Farhan looting our lands are nonsense and untrue. The villages and lands are all right. Not a dinar of damage done. But Farhan and Sardar Arfa are now at loggerheads over that very rumour that he had been attacking our lands. For the ill-report of the Sardar Arfa, in accordance with your commands I sent all these reports, both by letter and by wire.

I have turned all Arabistan against the sheikh.

Now is the time to turn your attention to this powerful enemy of yours, and to take steps.

I have not been remiss in the matter in your behalf.

If you will allow me I will arrange to raise all Arabistan against him, and without difficulty alienate all parts from him.

Send a special messenger at once to Farhan and Haidar with letters of encouragement. Make yourself responsible for their taxes that are due to the Persian Government. This will alienate them from the sheikh. Send me a special four-day messenger in this regard.

Note on foregoing by Lieutenant Wilson.

Haji Reis informed me that in pursuance of this policy letters inciting to rebellion against the sheikh and sealed by the Amir Mujahid and Sardar-es-Zaffar were sent to Farhan Assad, and Haidar-bin-Ghafil, and to the Beni Turuf, and are now in their hands.

Enclosure 5 in No. 18.

Lieutenant Wilson to Consul-General Cox.

Sir,

Mohammerah, October 3, 1910.

IN continuation of my letter of the 29th ultimo, I have the honour to enclose a translation of a letter from the Sardar-es-Zaffar to Haji Reis (the agent of the sheikh) which has been shown to me to-day, and which, I think, fully bears out the statements

which I have ventured to make in my above despatch as to the attitude of the Sardar-es-Zaffar.

2. I also enclose an abstract of the reply sent by Haji Reis at the express direction of the sheikh.

I have, &c.

A. T. WILSON, Acting Consul.

Inclosure 6 in No. 18.

Rough Translation of Letter dated 5th Rajab (July 12, 1910) to the Sheikh of Mohammerah per Haji Reis, by whom it was shown on 3rd October to His Majesty's Consul for Arabistan.

(After compliments.)

THE Government intended to arrange to give you the governorship, but when they heard of your foolish alliance with the Soulet-ed-Dowleh of course that was no longer thought of. You have greatly damaged your own good name by this alliance.

After this the Persian Government was going to give the Governorship of Arabistan to me and my people, but I would not accept it, as I foresaw trouble with you. I thought at first of taking it and making you my deputy for the purpose, but I could not consult you, and so did not do so.

All my lands are out of hand, and I shall be obliged to take the Governorship of Arabistan if things go on like this much longer; with all the power that I have and with that of the Government and the State I will come in person to protect Arabistan. Then, if we are not united in this matter we shall fall out, and things will assume a very different aspect. If you want the Governorship of Arabistan in partnership with me you can have it. The Medjliss will raise no difficulty if it is in my name.

But if you think that the Sagwand and Arab-i-Dailum who rob my crops are assisting you to the governorship, you are quite mistaken. Why do you raise Farhan against me and make trouble? Understand, I am not a coward to fold my hands and lie down and do nothing. If I care to put Farhan under my protection he will readily accept, and so will the Beni Truuf, as also the Karun Arabs. I propose nothing of this sort for the moment. But it is quite easy for me to upset the whole of Arabistan. I will stop at nothing. It is true that I wired to you several times to refuse payment of the 2,000 tomans Government dues on my Zaidan lands, but later on I wired to the Sarum-ul-Mulk to demand it, and if necessary exact it by force from you. What matter? If you had only refused it on your own instead of dragging my name into it it would have been all right, but when it is known that you did it at my request I was pressed here (Tehran) and had no choice.

Note by Lieutenant Wilson.

The above letter was in the Sardar-es-Zaffar's own handwriting. As will be seen from the enclosures to my No. 1046 the allegations of A. Rahim and Ali Naki that Farhan had raided the crops of the Sardar Z. were baseless, and made with the sole object of embroiling the sheikh with Farhan. The insinuation that the Sagwand were raiding at the instigation of the sheikh is, of course, wholly without foundation. The reference to Zaidan lands deals with an incident at the end of last year when the Sardar Z.'s son was Governor of Behbahan. Sardar Z. wired to the sheikh not to pay the Government dues on the Sardar Z.'s lands, which the sheikh farms for him. Meanwhile, the Sardar Z.'s son wrote to the sheikh demanding the said dues. He was told that his father had given orders it was not to be paid. He referred to his father, who wired to him to exact it by force if necessary. The son sent the original telegram on to the sheikh, who then paid, but protested to the Sardar Z. at such behaviour.

Enclosure 7 in No. 18.

Reply of Sardar Arfa through Haji Reis to Sardar Zaffar's Letter.

(Abstract.)

I HAVE read your letter to Haji Reis and your accusations as regards my conduct in matters touching Farhan.

I enclose a copy of all the telegrams that passed between me and A. Rahim and Ali Naki and Farhan on the subject. I look after your lands better than my own, and have at no time attempted to raise Farhan against you. As a matter of fact, you probably know by now that the allegations of A. Rahim against Farhan were all untrue and made with a purpose.

As regards the Arabistan Government, which you say the Persian Government will not give it to me, you say that they will give it you, but not me! But the Sardar Assad writes to me that they cannot give it to me because they cannot make Persia "a country of tribes" by giving the Government to tribal heads. What are you writing? In face of this, how can they give the Government to you? The matter is not one which I can discuss.

As regards your statement that you can raise all Arabistan against me, I am sorry that you should write in this strain; it was not necessary. For the sake of A. Rahim and half-a-dozen recalcitrants who live by fishing in troubled waters, you wish to raise trouble. Very well, make the experiment; do what you can.

Enclosure 8 in No. 18.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 79.)

Sir,

Bushire, November 5, 1910.

IN continuation of my despatch No. 66, dated the 2nd instant, I have the honour to enclose, for your Excellency's information, a copy of a further communication which I have addressed to the Government of India on the subject of the Sheikh of Mohammerah's policy in relation to the Bakhtiari. I also enclose a copy of a telegram from the Sardar Zaffar to the Sheikh of Mohammerah (through Haji Reis), dated the 11th October, since received.

With regard to the concluding paragraph of my letter enclosed, I have no doubt that your Excellency would at once become aware if the Sardar Assad or other Bakhtiari did attempt to institute or put up, through the Medjliss, a campaign against the sheikh, in connection, for instance, with his oil agreement or the grant of an irrigation concession to us, and that the influence of His Majesty's Legation, in communication with the sheikh and His Majesty's consular officers concerned, would be used in his favour. Perhaps a message to that effect could be given to the sheikh in reply to his request.

I have, &c.

P. Z. COX, Resident in the Persian Gulf
and Consul-General for Fars, &c.

Enclosure 9 in No. 18.

Lieutenant-Colonel Cox to the Government of India.

Sir,

Bushire, October 23, 1910.

I HAVE the honour to take up the thread of the subject of Sheikh Khazal's policy in relation to his Bakhtiari and other tribal neighbours, where I left it in my letter, dated the 9th instant, to your address.

2. I discussed this difficult problem at length while at Mohammerah, both with the sheikh and Haji Reis, and the immediate practical outlook appeared to His Britannic Majesty's consul and myself to be sufficiently pregnant with troublesome possibilities to make it inexpedient to leave His Majesty's Minister without full information until a communication could reach him by post. I therefore endeavoured to give him a résumé of it on the 19th instant in a telegram of which I attach the purport, dated the 19th October.

[1768]

3. So far as concerns particular events now in progress, it will be seen from my second enclosure that the internal family quarrel lately rife between the two rival elements of the Bakhtiari khans has been patched up, and, incidentally, that the Soulet-ed-Dowleh, Kashgai, has retired in dudgeon from that part of the arena, and is now resuming active intrigue on the Bushire-Shiraz region. In this connection, I may mention that, just before my arrival in Mohammerah, the sheikh had received a message from him, in which he intimated that he now proposed to proceed slowly to Kazerun, to give security to the Shiraz-Bushire road, along the telegraph route. In any case, for the present, Sheikh Khazal is not concerned with the Soulet, and has enough to occupy his time and thoughts in the prosecution of measures for maintaining his authority among the tribes under his control and for preserving the peace of Arabistan in the face of intrigues which are undoubtedly in operation against him on the part of the Sardar Assad's section of the tribe. The nature of these intrigues is sufficiently explained in Lieutenant Wilson's report of the 29th September and my telegram now enclosed.

I may add that, pending receipt of the details promised him by the Amir Mufakham, Sheikh Khazal does not understand, and is under some apprehension of, the portent of the alleged intention of the two factions to combine interests and move on Tehran, and can only suggest that they hope thus to increase the dominating influence which they possess at Tehran or develop it into a more ambitious form. As far as I can hear, however, the Amir's intimation has not taken serious shape.

With these observations on the immediate outlook, I beg to revert to the general question under correspondence.

4. I took the sheikh to task for the telegrams recently sent by him to the Soulet and the Amir Mufakham, and pointed out to him how exceedingly difficult it was, according to Western standards, to justify them on any principle of political morality. His reply to my remarks was, in the first place, to beg that we would not regard them seriously, but look upon them merely as the simplest and least expensive means available to him of keeping on amicable terms with the elements least hostile to him; of maintaining the balance of power among his neighbours; of preserving the security of his territories, and of preventing his own isolation—an object of vital moment to him. He then went over much the same ground as that travelled by Lieutenant Wilson in his last report.

His arguments were not easy to combat effectively. He reminded me of the events of the spring of 1909 when we practically refused to commit ourselves to any advice at all; said that he had been told that it was contrary to our policy to intervene between the Shah and his people or between tribe and tribe, and that unless we could modify that policy could we not be satisfied with his assurance that he had no ambitions outside his own territory, and that his whole policy lay in the necessity for preserving himself, his tribesmen, and his territory in security and prosperity for the good of all and unaffected as far as possible by the chaos prevailing outside?

I confess I find the logic of his arguments difficult to gainsay, and do not see that we can do much more than use, to the best effect we can, the personal influence our agent at Mohammerah can acquire over him in guiding him gradually to the adoption of a more straightforward and dignified policy; a change which he should be more inclined to follow now that he feels his position greatly strengthened by the possession of our assurances and the realisation of the sincerity of our sentiments towards him as ruler of Mohammerah.

5. I may conclude with the mention of a specific request which the sheikh made before we relinquished this subject.

He referred to the communication made to him last spring to the effect that the assurances given him in reference to the Persian Government would hold good against the Sardar Assad as long as the latter remained a member of the Government. Sheikh Khazal explained that he was hopeful at that time that the Sardar would either leave Tehran on retirement from the Ministry or would become innocuous, but he had been disappointed, and found him as effectively hostile as a member of the Medjliss as he was while Minister. He suggests that it might be possible, or rather prays that it may be possible, for us to consider the intimation to cover Bakhtiari hostility prosecuted by influencing the Government from the Medjliss. I do not see how such extension would be feasible in practice, nor do I think that Sheikh Khazal really expects that it could be accorded, but that he rather makes the request to emphasise the alternative that we should leave him unhampered, as far as we can, to protect his internal interests by his own methods. He, however, specifically begged that I would represent

the suggestion to His Majesty's Minister. I have therefore felt obliged to touch upon it.

A copy of this communication is being forwarded to His Majesty's Legation in continuation of previous correspondence.

I have, &c.

P. Z. COX, Resident in the Persian Gulf
and Consul-General for Fars, &c.

Enclosure 10 in No. 18.

Sardar Zaffar to Sheikh Khazal (per Haji Reis).—(Communicated by Haji Reis,
October 13, 1910.)

(Translation.)

(Telegraphic.)

Ispahan, about October 11, 1910.

HITHERTO we had seen friendship without reason, but we had not seen enmity without cause. What is the meaning of these signs in Ramuz? Why are you so hostile to the sons of the late ilkhani ("bash ta subh i daulat")? Wait till you see what I will do to you.—MUKHLIS KHUSRAU.

[1696]

No. 19.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 232.)

Sir,

Tehran, December 19, 1910.

I REGRET to have to report that since my telegram No. 408 of the 17th October no progress has been made in Mr. Preece's negotiations for the mining concession in the Kerman district.

The enclosed copy of a letter from Mr. Preece to the Minister of Finance gives the lines on which, after many weeks negotiations, an agreement had been reached between Mr. Preece and Vekil-ul-Roya, the representative of the Minister of Finance. Owing probably to the opposition of the Minister for Foreign Affairs no reply was returned to this letter, and when on the 30th October Sani-ed-Dowleh succeeded Hakim-ul-Mulk as Minister of Finance, the former disavowed Vekil-ul-Roya, and told Mr. Preece that the negotiations must be started *de novo*. Since then, Sani-ed-Dowleh has successfully evaded all Mr. Preece's attempts to negotiate with him, and I fear that while men with such strong nationalist prejudices as Hussien Kuli Khan and Sani-ed-Dowleh remain in the Cabinet, there seems small hope of a resumption of the negotiations. Sardar Assad is, however, as you are aware, endeavouring to place a new Cabinet in power, and if he succeeds, Mr. Preece should have a better chance, so far at least as the Cabinet as distinct from the Medjliss is concerned, for Sardar Assad, who is a friend of Mr. Preece, appears to be favourably disposed towards the scheme, as is also Wossuk-ed-Dowleh, to whom Sardar Assad looks as Sani-ed-Dowleh's successor at the Ministry of Finance.

To my great regret I have been unable to lend Mr. Preece any assistance in the present deadlock, as I have felt, and Mr. Preece has been of the same opinion, that any action of mine in support of the concession would have given it a political complexion in the eyes of the Persians, and prejudiced rather than improved its chances.

I have, &c.

G. BARCLAY.

Enclosure in No. 19.

Mr. Preece to Persian Minister of Finance.

Your Excellency,

Tehran, October 13, 1910.

I UNDERSTAND that the Imperial Persian Government are prepared to give me a concession for all minerals in the Kerman district and its neighbourhood for a period of 60 years, as has been defined on the map which was shown in the office of

the Ministry of Finance of the Imperial Persian Government on the following conditions:—

That the Anglo-Persian Oil Company will lend the Imperial Persian Government a sum of 100,000*l.* at par, bearing interest at 5 per cent. for 60 years.

The same to be redeemable by the said Government at the end of any year with three months' notice being given to the Anglo-Persian Oil Company. The security for the loan to be the shares and 16 per cent. profits belonging to the Imperial Persian Government in the above company, the usual amortisation being included.

To enable the concessionaire to prove the concession a period of four years is allowed, if after that period no working company be formed, the concession lapses.

On the formation of the first working company the Imperial Persian Government is to receive 20,000 fully paid up shares in that company, 30,000*l.* in cash, and 10 per cent. of the net profits of the said company.

The said company are to lend to the Imperial Persian Government a sum not exceeding 500,000*l.* at 5 per cent. per annum for the construction of a tramway from the sea to the north in the direction of Kerman, on a line to be defined by the said Government, the absolute alignment for the tramway to be decided by the Persian Government's engineer, in consultation with the company's engineer. With this 500,000*l.* the Persian Government is to build a branch tramway from the trunk line to one mine. For this tramway the company agrees to guarantee the Persian Government 5 per cent. on the cost to the mine, on the original outlay of the tramway from the coast to the mine.

The making of the tramway, the expenditure and general working and control of the tramways to be in the company's hands, with due supervision by the Persian Government's officers. The company to have a preference of 33 per cent. on all freights for goods carried to and from the mines.

In building the tramway the Persian Government agree to help the company by giving free land-providing labour and provisions.

The loan for tramway will be for sixty years; it will be covered by amortisation with the tramways as collateral security.

With regard to the zone to be given to the company for exploitation of the minerals, a line is to be drawn 40 miles from the sea parallel with the coast, which is reserved for the Persian Government to carry out their own mining operations.

I shall be glad if your Excellency will confirm this.

I have, &c.

J. R. PREECE.

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No. 20.

Sir G. Barclay to Sir Edward Grey.—(Received January 4, 1911.)

(No. 233.)

Sir,

Tehran, December 22, 1910.

WITH reference to the note addressed to you by the Netherlands Legation on the 21st October last on the subject of the Karun irrigation, I have the honour to transmit copy of a despatch from His Majesty's consul-general at Bushire, forwarding a despatch from His Majesty's acting consul at Mohammerah on this subject.

It will be noticed that since Sir W. Willcocks expressed the view in the spring of last year that an irrigation scheme on the Karun would damage the date groves on the Shat-el-Arab (see my telegram No. 323 of the 25th April, 1909), he appears to have modified his opinions on this point.

Apart from the possible damage to these date groves Lieutenant Wilson urges other objections, which seem much to the point, to the execution in the near future of any project of irrigation from the waters of the Karun. Nevertheless, it might be worth while, as suggested by Colonel Cox, to obtain from Sir W. Willcocks a further statement in regard to the dependence of the date groves on the Shat-el-Arab on silt from the Karun.

I am sending this despatch by post to avoid delay, as the Netherlands Legation's note seems to foreshadow a further communication.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 20.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 86. Confidential.)

Sir,

Bushire, November 20, 1910.

WITH reference to the correspondence on the subject of the Karun irrigation question, ending with Mr. Louis Mallet's letter of the 18th August, 1910, to Baron Gericke, I have the honour to submit, for your information, a copy of a communication received from His Majesty's acting consul at Mohammerah, wherein he summarises the present aspects of the scheme—aspects which, on the whole, are not attractive.

As regards the slip, or misunderstanding, in Mr. Mallet's letter involved in his reference to Karun "water" instead of Karun "silt," it seems unnecessary to draw attention to it by telegram, in view of the fact that three months have elapsed since the letter was written. It could be explained if the question was revived again.

It is unfortunate, however, that Sir William Willcocks's modification of view in regard to the bearing of the silt question was not known before; and as this point is a fundamentally important one, I would suggest that Sir William be specifically asked, with reference to the opinion expressed by him after his visit to the Karun in 1909, whether he still holds the same view or has some reason to modify it by the light of local experience since acquired.

The subject of the Karkheh scheme was discussed between the Sheikh of Mohammerah and Mr. Wilson and myself at my last visit, and I shall revert to it independently at an early opportunity.

I have, &c.

P. Z. COX,

*Political Resident in the Persian Gulf
and Consul-General for Fars, &c.*

Enclosure 2 in No. 20.

Lieutenant Wilson to Lieutenant-Colonel Cox.

Sir,

Mohammerah, November 1, 1910.

I VENTURE to submit the following remarks on the subject of the Karun irrigation scheme, enumerating the principal objections thereto, and giving reasons for my belief that at present, and for many years to come, the scheme is one not likely to be profitable or even practicable. Much has been written on the subject. A scheme has been prepared in detail by Major W. R. Morton, R.E.; M. van Roggen has outlined his proposals, which were stigmatised by Major Morton as fantastic; and Sir W. Willcocks has also given us the benefit of his valuable expert opinion on the question. Nevertheless, a memorandum recounting briefly the disadvantages of the scheme may not be without utility, even if it only serves to disillusionise the Netherland Government as to the lucrative nature of the proposal.

2. According to the plans and estimates prepared by Major W. R. Morton, R.E., in 1907, the cost of the Karun River irrigation scheme works at 70 lakhs of rupees = 450,000*l.*

Left bank—						Acres.
Irrigable	..	..	..	..	..	250,000
Annually irrigable	..	..	..	..	..	150,000

Net annual revenue on capital, 8 per cent.

Financially, this is not attractive; it is improbable that capital for such a scheme could be raised for less than 8 per cent. in view of the risks involved and the lack of any guarantee that the scheme will have the whole-hearted support of the central and local Persian authorities; and in Major Morton's report nothing will be found to justify a more optimistic estimate than that put forward by him.

Navigation of Karun.

3. Expert local opinion does not support Major Morton's contention that the irrigation scheme could be carried out without affecting navigation: on the contrary, it is generally considered that any substantial diminution in the present water supply

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will render navigation by river steamers impossible. It is not enough to secure a minimum all the year round; it is necessary also to retain the floods which clear out the river and cut through the sand-banks which form right across its bed during the summer. Sir W. Willcocks gave it as his opinion in January 1910, though he has not, I think, recorded it in writing, that for the irrigation scheme to be a success the attempt to retain river navigation must be abandoned; and everything seems to point in that direction.

Type of Dam.

4. Sir W. Willcocks considers the needle dam suggested by Major W. R. Morton, R.E., unsuitable for the country, and thinks a more elaborate dam, built for use if necessary as a weir, with sluice-gates, preferable. This would raise the total estimated cost to 500,000*l.*

Population.

5. To cultivate the lands irrigated by the new canals a large additional population would be required; allowing ten acres per family, 15,000 additional families would be needed—say, 75,000 souls.

The present population of Arabistan is about 250,000; those under the jurisdiction of the sheikh, 150,000; a sudden increase of 50 per cent. in the population now under him would therefore be a condition essential for the success of the work. It is improbable that more than 2,000 families could be induced to settle on the newly-irrigated lands, even on most favourable terms. The Arab of the province is indolent and prosperous—few uncivilised races are equally so. Dates, rice, and, generally, wheat grow with a minimum of care and labour on his part.

The alternative, colonisation by Persians, is one extremely distasteful to Arabs, and is not favoured by the sheikh, who views with not unnatural apprehension the results of a large and sudden influx into his territories.

Sheikh of Mohammerah's Attitude.

6. Sheikh Sir Khazal Khan, K.C.I.E., to whom, by royal firman of 1903, the land on the left bank of the Karun belongs, would prefer not to see the Karun irrigation scheme actively pressed, for the present, at all events. He is not convinced that the probable profits to be gained therefrom are sufficient to make it worth his while to invest money in the scheme; he feels the capital expenditure involved—500,000*l.*—too large to be prudently incurred as things now stand, and he fails to see the need for the scheme. There is no pressure of population: on the contrary, vast areas lie untitled and, even near Mohammerah, unirrigated for lack of labour.

Only force of circumstances will induce the sheikh to take an active interest in the scheme, and it may be expected that his claims in dual capacity of sole land-owner and tribal head will prove a serious burden upon the exiguous estimated net profit.

Effect of Irrigation Scheme on Date Groves of Mohammerah.

7. Since Sir W. Willcocks expressed the opinion (referred to in Foreign Office despatch of the 18th August, 1910, to the Dutch Minister in London) that an irrigation scheme on the Karun would damage the date groves of the Shat-el-Arab, he has been able to study the question in greater detail, and when he stayed with me for a fortnight at the commencement of 1910, he informed me that he had greatly modified, if not wholly altered, his views on the point, and was inclined to believe that the influence of the Karun silt is far less than he had at first believed. The Bussorah date gardens are superior to those of Mohammerah, yet the former do not benefit by Karun silt, which is not carried up stream more than six miles by the tide, whilst the latter have the benefit of Karun water all the year round.

The following is an extract from the last paragraph of the Foreign Office despatch quoted above:—

"It appears, from expert opinion . . . , that as the sheikh's own date groves on the Shat-el-Arab at present depend for water almost entirely on what they receive from the Karun, serious injury would be inflicted on the trees if they were deprived of this

supply before irrigation from the Tigris and Euphrates is undertaken. Such deprivation would apparently result from the construction of a dam at Ahwaz, while on the other hand the trees cannot, as far as His Majesty's Government's present information goes, receive from the Tigris and Euphrates till the scheme for utilising those rivers for irrigation purposes has been carried out."

This passage, as it stands, is plainly based upon a misapprehension, but if the word "silt" be substituted for "water" throughout, it substantially represents Sir W. Willcocks's opinion in 1909, though he is no longer prepared to support the theory which he then advanced, that the Karun silt was a predominant, if not an essential factor in the prosperity of the date groves of the Shat-el-Arab.

8. The last important objection to the scheme is one to which I am in no way competent to refer, but it is necessary to mention it in any discussion on the merits of the Karun irrigation scheme.

The Persian Government has heard so much of the scheme, and so many nations have at different times indicated their desire to participate in it, that the strongest objection is likely to be taken, on political grounds, to the granting of the concession for such a scheme to anybody, whether a foreign or a Persian subject, and the terms asked and the conditions demanded will probably be exorbitant, making any agreement on the subject with the Persian Government almost impossible.

I would conclude by reiterating my belief that the only irrigation scheme in Arabistan which is immediately practicable and profitable is that depending on the Karkheh River.

After careful investigation on the spot of the conditions under which the scheme would have to be carried out, and with all the necessary data before him, Sir W. Willcocks has estimated the capital expenditure necessary at 75,000*l.* at most, giving a return of 20,000*l.* per annum from an annually irrigated area of 100,000 acres. These estimates contrast markedly with the corresponding figures for the Karun irrigation scheme.

I have, &c.

A. T. WILSON, Lieutenant I.A.,
Acting Consul for Arabistan.

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No. 21.

Sir G. Barclay to Sir Edward Grey.—(Received January 4.)

(No. 5.)

(Telegraphic.) Decode.

Tehran, January 4, 1911.

SPRING-RICE'S despatch No. 286 of 10th November, 1906.

Mohtashem-es-Sultaneh has been appointed Minister for Foreign Affairs.

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No. 22.

Sir G. Barclay to Sir Edward Grey.—(Received January 4.)

(No. 6.)

(Telegraphic.) R.

Tehran, January 4, 1911.

MY telegram No. 1 of 2nd January.

Minister for Foreign Affairs announced yesterday in Medjliss that Persian Government intended to organise a force of gendarmerie in Fars under foreign officers, and that, Italian Government having refused to supply officers, application had been made through Persian Minister at Paris to Swedish Government, whose conditions had been received and were being considered.

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No. 23.

Sir Edward Grey to Sir G. Buchanan.

(No. 6.)

(Telegraphic.) P.

Foreign Office, January 4, 1911.

I APPROVE your language as reported in your telegram No. 2 of the 1st January.

Russian Minister of Foreign Affairs should be informed of our satisfaction that troops may possibly be withdrawn from Kazvin, as result of impending completion of conversion scheme.

You might add that we will gladly support Russian representations at Constantinople as to Turco-Persian frontier question.

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No. 24.

Foreign Office to India Office.

Sir,

Foreign Office, January 4, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 29th ultimo, forwarding, for transmission to the Imperial Bank of Persia, a receivable order for 8,380*l.* 17*s.* 4*d.* in connection with the interest due from the 20th March to the 20th November last on account of the Anglo-Indian loan to the Persian Government, and observing that it would be convenient if, in the future as in the past, the bank were to correspond direct with your department on the subject of these receipts.

I am to state, in reply, that Sir E. Grey has no objection to offer to the proposed course, and that, in forwarding to the bank the order enclosed in your letter, he has caused them so to be informed.

I am, &c.

LOUIS MALLET.

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No. 25.

Foreign Office to Imperial Bank of Persia.

Sir,

Foreign Office, January 4, 1911.

I AM directed by Secretary Sir Edward Grey to inform you that he caused a copy of your letter of the 12th ultimo, relative to the arrangement arrived at between the Imperial Bank of Persia and the Persian Government with respect to the Anglo-Indian loan to the latter to be forwarded to the India Office, with an enquiry as to whether, if the sum of 8,380*l.* 17*s.* 4*d.* received by the bank on account of interest due on this loan from the 20th March to the 20th November last were agreed, a receivable order for that amount should be sent to you in accordance with your suggestion.

I am to inform you that the India Office have now forwarded to this department, for transmission to you, the enclosed order with the observation that, if Sir E. Grey sees no objection, it would be convenient if, in the future as in the past, the bank were to correspond direct with them on the subject of such receipts.

With reference to this point, I am to state that Sir E. Grey has no objection to offer to the proposed course, and that he has caused the India Office so to be informed.

I am, &c.

LOUIS MALLET.

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No. 26.

Sir G. Buchanan to Sir Edward Grey.—(Received January 5.)

(No. 2.)

Sir,

St. Petersburg, January 2, 1911.

I HAVE the honour to transmit herewith translation of an article which appeared in the "Novoe Vremya" of the 18th (31st) December, stating that the Russian Government are about to address a note to the German Government on the subject of the relations of the two Powers in Asia.

The German paper, the "St. Petersburger Zeitung," yesterday reproduced this article, but none of the other Russian papers here have so far noticed it, a fact which may be due either to an official prohibition or to mistrust of its accuracy.

I can find no record in the archives of the embassy of any mention by M. Isvolsky of the note of enquiry which the German Government are stated to have addressed to Russia on the conclusion of the Anglo-Russian agreement.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure in No. 26.

Extract from the "Novoe Vremya" of December 18 (31), 1910.

IN the course of the next few weeks the Russian Government will give their answer to a note relating to Asiatic affairs which the German Government addressed to them shortly after the conclusion of the Anglo-Russian agreement. In this note Germany asked for information as to what attitude Russia would adopt, in view of the Anglo-Russian agreement, towards German interests in the Middle East.

As the Anglo-Russian agreement did not directly affect Germany, this note has remained unanswered up to the present; now, however, when the views of the two Governments with regard to their respective interests in the Near and Middle East have been made clear at the Potsdam interview, the Russian Government are able to give a definite reply to the German note.

This reply, we are informed, will not go beyond the statements made by M. Sazonow to a representative of the "Novoe Vremya," and published in that paper on the 28th October (10th November). We need not repeat the general substance here.

Mutual explanations will be based on the idea that existing political combinations cannot be disturbed. Questions in the Near and Middle East in which Russian and German interests only are involved must be settled in such a way as to enable each Power to retain its position in the political group to which it at present belongs. Both parties, however, have agreed, with regard to Asiatic questions, not to take part in any new combination which might be directed against either of them.

We hope that both the German note of 1907 and the Russian reply will be immediately published in full. The Potsdam interview has given rise to so many honest delusions and to so many intentional misinterpretations that we need not insist on the necessity of this whole question being made absolutely clear.

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No. 27.

War Office to Foreign Office.—(Received January 5.)

(Secret.)

Sir,

War Office, January 4, 1911.

IN reply to your letter of the 2nd November last regarding the appointment of intelligence officer at Meshed, I am commanded by the Army Council to send you the enclosed copy of a letter which has this day been addressed to the Treasury on the subject.

I am, &c.

R. H. BRADE.

Enclosure in No. 27.

War Office to Treasury.

(Secret.)

Sir,

War Office, January 4, 1911.

WITH reference to a letter addressed to this Department by the Foreign Office on the 2nd November last (of which a copy was forwarded to you), on the subject of the post of military attaché at Meshed, I am commanded by the Army Council to ask you to lay the following remarks before the Lords Commissioners of His Majesty's Treasury.

The presence of a trained intelligence officer at Meshed constitutes the sole means of obtaining accurate information regarding events on the northern frontiers of Afghanistan and in Central Asia, and the council are satisfied as to its necessity on military grounds. They are further of opinion that the Government of India should bear half the total cost (2,130*l.* per annum) of the appointment. Such a division of

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cost follows the precedent of the Robat detachment (Treasury letter dated the 2nd May, 1907), and is in general accord with the principles recommended by Lord Welby's Commission in 1900 as to the partition of charges between the Indian and the Imperial Exchequers in cases of expenditure in connection with that part of Central Asia which is adjacent to the borders of India or Afghanistan (paragraph 307 of report).

As regards the division of the Imperial share of the cost between the Foreign Office and this Department, it appears to the council that, as a source of reliable information not otherwise available to the Foreign Office, the post cannot fail to be of considerable diplomatic as well as military value. On the whole the council are of opinion that the interest of the War Department in the appointment would be adequately represented by a contribution of 500*l.* a-year, and that the balance of the Imperial share should fall on Foreign Office votes. On this basis the Imperial "diplomatic" value of the post would be assessed at about one-fourth of the whole cost.

If this proposal meets with their Lordships' approval provision will be made in next year's Army Estimates accordingly. The arrangement might be reviewed at the end of two years from the 1st instant.

I am, &c.
R. H. BRADE.

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No. 28.

Messrs. Ziegler and Co., Messrs. Dixon and Co., and Messrs. Hadji Ali Akbar and Sons to Foreign Office.—(Received January 5.)

Sir,

January 4, 1911.

WE have the honour to address you in connection with the state of affairs in Southern Persia. We have been exceedingly grateful for the steps taken by His Majesty's Government in order to bring about a better state of affairs in Central and Southern Persia, and we are convinced that it is only the extreme measures contemplated that have resulted in the Persian Government making their present show of complying with His Majesty's Government's demands regarding the pacification of the south.

2. We have seen it stated in the press that the Shiraz to Ispahan road is now open to traffic and safe for caravans. We have ourselves cabled out to Persia, and have just received a telegram from Shiraz informing us that the Shiraz to Ispahan road is closed to traffic (on account of the robberies of certain marauding tribes).

3. With regard to the road between Bushire and Shiraz, it is also stated that this road is now safe, no robberies having taken place during this month. We believe it to be the fact that after the very heavy robberies about the end of November merchants and importing houses ceased forwarding from Bushire to the interior, and the fact that there have been no recent robberies may be due to the circumstance that there have been very few caravans on the road and practically nothing to rob, and in any case a much longer period of immunity from robbery would be necessary before the road could be called safe.

4. It is stated in the press that Soulet-ed-Dowleh is to be responsible for the safety of the Bushire to Shiraz road, and while not contending that this tribal chief is unable to undertake this duty, we would draw your attention to a circumstance with which you are doubtless already familiar, namely, that if Soulet-ed-Dowleh's relations with the Shiraz governor and the central administration have not been satisfactory, he has used his power over the commerce of the south to gain his ends with the Persian Government by permitting robberies within his sphere of influence, and we hope that this method of intrigue will be safeguarded against in future.

5. With regard to the number of troops being employed by the Persian Government, and said to be on their way to Shiraz, we very greatly doubt that the information published are even in a moderate degree more correct than the statement that the road from Shiraz to Ispahan is open to traffic. In any case His Majesty's Government will have independent information at command which will enable His Majesty's Government to verify these statements, and to determine whether the measures stated by the Persian Government as being taken by them (as reported in the press telegraphic résumé of the official reply by the Persian Government to His Majesty's note of October last) are actually being carried out, and, if not, we earnestly

hope that in order to prevent the complete extinction of our trade that no further delay will be granted.

We are impelled to beg your serious consideration of this phase of the question, as we fear that at the present junction the Persian Government may seek to extend the period of notice by representations which may not be borne out by the facts.

We have, &c.

PH. ZIEGLER AND Co.

H. C. DIXON AND Co.

(For Hadji Ali Akbar and Sons),
HUSSEIN AGHI, *Managing Director*.

Enclosure in No. 28.

Extract from the "Manchester Guardian" of January 3, 1911.

PERSIAN GOVERNMENT'S TASK.—SOUTHERN ROADS REOPENED.

REUTER'S Agency learns that official telegrams were received yesterday from the Persian Government giving a detailed account of the steps now being taken for the restoration of order in the south of Persia.

In these telegrams Vazir Zadé, the Acting Foreign Minister, states that the latest news received in Tehran from the south gives rise to great satisfaction. The roads, he declares, are now open, and mails and caravans pass in safety. The Minister adds that Nizam-es-Sultaneh, the new Governor-General of the province of Fars, who is now on his way from Tehran to Shiraz, will immediately on his arrival in the provincial capital take steps to organise the local forces and take all the necessary measures to ensure tranquillity. The Imperial Government, continues the official telegram, has decided to engage the services of a number of European officers to assist in this work. Nizam-es-Sultaneh has been specially selected in view of his influence in the south, where he is a large landowner. He will have under him a force of 10,000 men, 6,000 of whom are now marching from Tehran to Shiraz, a three weeks' journey. These are all regular troops, 2,000 of whom are under the command of Fath-el-Mulk, for some time commanding in Ispahan.

The Persian Government further states that Soulet-ed-Dowleh, chief of the Kashgai tribe, has been commissioned to participate in the work of restoring order along the Bushire-Shiraz-Kazerun road, in which he is now engaged. He is at the head of a force of his own tribesmen, consisting of 400 riflemen and a number of cavalry.

The Persian Government again states that a portion of the loan now being negotiated will be devoted to the restoration of order in the south, for which every necessary step is being taken.

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No. 29.

Sir G. Barclay to Sir Edward Grey.—(Received January 5.)

(No. 7.)

(Telegraphic.) P.

Tehran, January 5, 1911.

SOUTHERN roads note.

Your telegram No. 4 of the 3rd January. I suggest following reply:—

His Majesty's Government have learned with satisfaction that the Persian Government is taking special measures to restore order on the southern roads; but their reports show that the diminution of robberies on the main route, which has characterised the past few weeks, is due not to any arrangements so far made by Soulet for the guarding of the road, but to the unusual severity of the weather; and until the execution of the measures decided upon by the Persian Government has made more progress, His Majesty's Government are unable to judge whether they are likely to form an acceptable substitute for the scheme outlined in my note of the 14th October.

Meanwhile, however, His Majesty's Government recognise in the Persian Government's decision to take these measures evidence that it is determined to do its utmost to restore order on the southern trade routes, and are therefore disposed to defer

pressing their scheme on the Persian Government pending the results of the further development of the measures in question.

But it must be clearly understood that His Majesty's Government will reconsider this expectant attitude in the event of a recrudescence of disorders on the Bushire-Ispahan road, and that they reserve the right to insist on the engagement of British-Indian officers at any moment, should His Majesty's Government perceive that the measures taken by the Persian Government are not likely to suffice for the prompt re-establishment of security.

As regards the 10 per cent. surcharge, His Majesty's Government cannot for the present consider the granting of this concession except as part of the scheme outlined in my note of the 14th October.

In the above draft I have made no special reserves with regard to foreign officers to be employed under Persian Government. It would, I think, be difficult to do so in an unobjectionable form, and I understand that the engagement of officers from the minor Powers would not be viewed unfavourably by His Majesty's Government. An application has now been made to Sweden by the Persian Government, and in any case they should be deterred from approaching a Great Power by our joint warning reported in my telegram No. 392 of the 29th September. I would call attention to the fact that the application recently made to Italy (see my despatch No. 199 of the 2nd November, final paragraph) showed no disregard of our warning.

After reconsidering the question, I am of opinion that to urge the Persian Government to hasten the conclusion of the loan with the Imperial Bank of Persia would be injudicious at this stage.

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No. 30.

Sir Edward Grey to Sir G. Barclay.

(No. 2.)

Sir,

Foreign Office, January 5, 1911.

SIR EDGAR SPEYER told me to-day that he had been informed, from what he considered to be an authoritative source, that the Persian Government would prefer to make a loan by means of a private firm rather than by the Imperial Bank. It was thought that there would be political objections from Russia to the borrowing of money from the Imperial Bank, and on the whole the Persians would prefer to do business with a private firm. Sir Edgar Speyer wished to know whether I was favourable or whether I should object to the borrowing of money by the Persians.

I said that the Russians had financial dealings of their own with the Persian Government and did not wish these to be prejudiced, but it was absolutely indifferent to them whether the Persians were dealing with the Imperial Bank or a private firm. I raised no objection to the borrowing of money by the Persians so long as the security in which we were specially interested was not impaired. As a matter of fact, I had not told the Persian Government that I would object to a loan unless it was made through the Imperial Bank; I had not opposed any loan, and I had not even supported at Tehran the proposal for a loan through the Imperial Bank. I had, however, been cognisant of the negotiations of the Imperial Bank, and was favourable to them, because the Imperial Bank had a lien on the customs of the port, in which we were specially interested, and I wished to see that lien maintained, or at least not allowed to pass into the hands of anything less permanently British than the Imperial Bank.

Sir Edgar Speyer then asked whether it might not be convenient to the Imperial Bank to co-operate with such a firm as his.

I replied that I could not judge of this; it was a question simply for the Imperial Bank.

He enquired whether I should have any objection to his co-operating with the Imperial Bank.

I answered that I should have no objection whatever, and repeated that the matter was one which should be discussed with the Imperial Bank, independently of me. All I could suggest was that he should let Sir Thomas Jackson know of the information he had received, and find out what the Imperial Bank was prepared to do.

I told Sir E. Speyer that in my opinion, if the loan of the Imperial Bank hung fire it was not because of Persian reluctance to deal with the bank, or preference for some other firm, but because the Persians never could make up their minds to borrow money if there was to be proper control of the expenditure.

I am, &c.

E. GREY.

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No. 31.

India Office to Foreign Office.—(Received January 6.)

Sir,

India Office, January 5, 1911.

WITH reference to your letter dated the 12th December, 1910, as to the supply of maps of certain portions of Persia for the use of the Indo-European Telegraph Company, I am directed to inform you that the sheets referred to by the company in their letter of the 6th December, 1910, appear to be those belonging to the "India and adjacent Countries" series now under issue by the Survey of India.

Both the series in question, viz.: (1) Of sheets on the $\frac{1}{1000000}$ scale, which are on sale to the public; and (2) of the "degree" sheets which, as regards territory beyond the Indian frontier, are for official use only, are as yet very incomplete. The only sections at present available in respect of the area described in the company's letter, copies of which are enclosed herewith for transmission to the company,* are subject, as regards the "degree" sheets, to the condition stated in your letter under reply.

With reference to the final paragraph of your letter, copies of the sheets are enclosed for the use of the Foreign Office.* So far as is known at this Office, no other maps of Persian territory have been issued by the Government of India since 1908 with the exception of the map of Persia, on the scale of 1 inch=40 miles, accompanying volume XII of the new (1909) edition of Aitchison's "Treaties, Engagements, and Sanads," copies of which have been supplied for the use of the Secretary of State for Foreign Affairs.

A memorandum regarding the survey of "India and the adjacent Countries" is also enclosed for information.

I have, &c.

R. RITCHIE.

Enclosure in No. 31.

Memorandum regarding the Survey of "India and adjacent Countries."

IN accordance with the recommendations of the Seventh International Geographical Congress, held in 1899, the Survey of India undertook the preparation of maps on the $\frac{1}{1000000}$ scale (approximately 16 miles to an inch) of India and the surrounding countries as a contribution toward the proposed international map of the world on the $\frac{1}{1000000}$ scale. The accompanying index maps show the comprehensive scheme adopted and the number of one-millionth sheets already prepared.*

Each of those sheets covers 4 degrees of latitude by 4 degrees of longitude; by dividing them into sixteen equal parts a series of maps is obtained, each covering 1 degree of latitude by 1 degree of longitude, or "degree" sheets. It is intended (in time) to carry out that series of "degree" sheets as far as practicable, but the scale of the series is to be 4 miles to an inch, and the resulting sheets are of exactly the same size as the one-millionth sheets. A specimen one-millionth sheet (No. 31) divided into its sixteen "degree" sheets is appended.* It will be seen that the "degree" sheets are denoted by the letters A, B, C, &c., to P, and are quoted as "sheet 31 A," "sheet 31 B," &c.

The Survey of India has not yet issued sheets thus subdivided for any number lower than 31, i.e., for Persia and the region westward.

Similarly, each "degree" sheet is to be divided into sixteen sheets on the scale of 1 mile to an inch (see the sixteen small squares in each of the divisions A, B, C, to P of sheet 31, numbered 1 to 16 (31 A 1, 31 A 2, &c.)). Thus the whole project embraces three schemes mutually related, viz.:—

- (a.) The one-millionth sheets (scale 16 miles to an inch, as on the index).
- (b.) The "degree" sheets (scale 4 miles to an inch, divisions of the preceding).
- (c.) The 1 mile scale sheets (subdivisions of the foregoing).

* Not reproduced.

[1768]

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[584]

No. 32.

India Office to Foreign Office.—(Received January 6.)

Sir,

India Office, January 5, 1911.

IN reply to your letter, dated the 21st December last, I am directed by the Secretary of State for India to enclose copy of telegraphic correspondence with the Government of India, from which it will be seen that there is no objection to Lieutenant Ranking remaining in his post as His Majesty's Consul at Ahwaz until after February next.

I am, &c.
R. RITCHIE.

Enclosure 1 in No. 32.

The Earl of Crewe to Government of India.

(Telegraphic.) P.

December 28, 1910.

PLEASE refer to your telegram dated the 28th October, 1910. In order that they may consult Ranking in discussion with Khans, oil company request postponement until after February of that officer's transfer to India. Please say whether there is any objection on your part.

Enclosure 2 in No. 32.

Government of India to the Earl of Crewe.

(Telegraphic.) P.

January 3, 1911.

REFERENCE is invited to your telegram dated the 28th ultimo. We have no objection to suggested postponement of transfer of Ranking.

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No. 33.

Messrs. Ellinger and Co. to Foreign Office.—(Received January 6.)

Sir,

28, Oxford Street, Manchester, January 5, 1911.

WE beg to acknowledge receipt of your letter of the 15th December, 1910, relative to the question of the mines of red oxide on the Island of Ormuz.

We thank you for your telegraphic instructions to Sir George Barclay to make a further serious representation to the Persian Minister for Foreign Affairs on the subject, and point out to his Excellency the heavy pecuniary liability to which his Government is exposing itself, through their omission to bring forward conclusive evidence of their contention, but regret that up to this date we are without any information that these representations have had any result.

We note with great regret that His Majesty's Government have not so far seen their way to comply with our second request by calling upon the Persian Government to suspend all further shipments of oxide from Ormuz, and the reasons which Sir Edward Grey has so courteously advanced have had our most careful consideration. Whilst freely and frankly admitting that we ourselves are not in the best position to judge this matter impartially, we desire with all due respect to submit that the reasons advanced by Sir Edward Grey are inconclusive, and that the result of a continuance of the present position must be antagonistic to our interests and those of Messrs. Andrew Weir and Co., and in a corresponding degree favourable to the interests of others who have no claim in this matter to the support of His Majesty's Government.

We have therefore asked our solicitors, Messrs. E. F. Turner and Sons, to prepare a memorandum, which we now enclose, setting forth the grounds upon which we base our request that the suspension of shipments should be effected, and we most earnestly and humbly beg His Majesty's Government to give their serious consideration to our representations, with a view of finding means to give effect to what we ask, which will we feel sure materially relieve the situation for the time being, as far as Messrs. Andrew

Weir and Co. and ourselves are concerned, while the cessation of the flow of money into the coffers of the Persian Government as payment for oxide will, we venture to think, materially conduce to bring about a more speedy and satisfactory solution of this matter than has hitherto appeared practicable.

We are answering in a separate letter the last paragraph of your letter, as it refers to a subject that is not relevant to the purpose of this letter and its enclosure.

We are, &c.

ELLINGER AND CO.

Enclosure in No. 33.

Memorandum showing Reasons in support of the view that Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. are justified in asking His Majesty's Government to call upon the Persian Government to stop further Shipments of Oxide from the Island of Hormuz until the Rights of the Parties interested have been ascertained to the satisfaction of His Majesty's Government.

IN order to present this matter adequately, it is necessary to recapitulate the events leading up to the present situation.

2. For many years past, and until the spring of last year, the Muin-ut-Tujjar claimed and exercised without question the exclusive right of shipment of red oxide from the Island of Ormuz under a concession from the Persian Government granted in 1896, and transferred to him in 1897.

3. In the exercise of this right he from time to time, prior to the period next referred to, made contracts for the shipment of red oxide to Messrs. F. C. Strick and Co., under contracts negotiated through Messrs. Ellinger and Co., as his accredited representatives in this country, and in all these contracts stipulations were made confining to the particular quantity purchased the importation of red oxide from Ormuz into this country.

4. In the year 1907 the Muin became desirous of making more extended arrangements in the form of a lengthened contract, and after negotiations with Messrs. F. C. Strick and Co., which proved abortive, Messrs. Ellinger and Co., with the active encouragement of His Majesty's Foreign Office and India Office, made efforts to carry out the Muin's wishes by creating an English company, to be formed for the purpose of taking a long contract from him and securing a monopoly for the mining of Ormuz oxide.

5. It was a vital condition of the success of any scheme that Messrs. Ellinger and Co. should be able to give assurances that the Muin's concession was held by him in perpetuity, and they had correspondence and interviews on that subject at the time with His Majesty's Government, and a letter dated the 18th January, 1908, was received by them from the Foreign Office, which was to be regarded as strictly private and confidential, and to be shown only to persons whom the Government might approve. Various assurances were given in this letter upon the condition that they were to hold good only so long as the enterprise remained British, and among these assurances was the following:—

"That so far as His Majesty's Government are aware the concession to the Muin is in perpetuity. The firman and rescript confirming it have been seen at the British Legation at Tehran."

6. The company scheme was found to be impracticable in consequence of the difficulties placed in the way by Messrs. F. C. Strick and Co., and in the spring of 1908 Messrs. Ellinger and Co. entered into preliminary negotiations with Messrs. Andrew Weir and Co. for the latter to take a contract from the Muin, and on the 9th April Messrs. Ellinger and Co. wrote to the Secretary of State, asking for permission to give inspection of the above-mentioned letter of the 18th January, 1908, to Messrs. Andrew Weir and Co., which permission was granted by a letter dated the 4th May, 1908, and was acted on.

7. For several months following this communications took place on the part of Messrs. Ellinger and Co. with the Foreign Office, with the late Mr. Wilson Fox of the Board of Trade, and with Messrs. F. C. Strick and Co., the effect of which may shortly be stated to be that owing to the desire of the Secretary of State to maintain the continued association of Messrs. F. C. Strick and Co. with the importation of red oxide from Hormuz into this country, in consequence of the friendly relations that had existed

between His Majesty's Government and that firm, Messrs. Ellinger and Co. endeavoured in every possible way to come to terms with Messrs. F. C. Strick and Co., but found it quite impossible to do so.

8. On the 18th November, 1908, a letter was written by a member of Messrs. Ellinger and Co.'s firm to the Secretary of State, reporting information received from the Muin to the effect that the Persian Legation in London were negotiating with a British firm for the purchase of the concession, and enquiring whether the Muin might be informed "that so long as the sale of the oxide is in the hands of my firm no application to the Persian Government by any other British subject for the grant of the concession of the Island of Hormuz and consequent confiscation of the concession now held in perpetuity by the Muin-ut-Tujjar will receive the support of His Majesty's Government here or the British Legation in Tehran." This question was answered in the affirmative in a letter from the Secretary of State dated the 25th November, 1908.

9. It results from the foregoing paragraphs that down to the time of the contract next referred to being made a continuous chain of communications between Messrs. Ellinger and Co. and His Majesty's Government, extending back for years, affirmed—

- (1.) The existence of a perpetual concession as having been granted to the Muin;
- (2.) The anxious desire of His Majesty's Government that the trading interest of the Island of Hormuz should be in the hands of British subjects; and
- (3.) The recognition of Messrs. Ellinger and Co. as having thoroughly earned and acquired an acknowledged prior claim to the protection of His Majesty's Government, whether as against a British subject or anyone else.

10. Upon the faith of this situation and only after all efforts to make terms with Messrs. F. C. Strick and Co. had failed, Messrs. Ellinger and Co. negotiated a contract between the Muin and Messrs. Andrew Weir and Co., which was entered into on the 4th December, 1908, together with a supplemental agreement of the same date, Messrs. Ellinger and Co. themselves being also parties to both contracts in the capacity of agents for the Muin. Under the first-mentioned contract the Muin agreed to sell about 18,000 tons of oxide, to be mined at Hormuz, upon various conditions as to time and payment, and an undertaking was given by the Muin to confine all shipments of oxide to Messrs. Andrew Weir and Co. until the 1st April, 1912, other than oxide for consumption in India. The fact that this contract was about to be entered into was notified to His Majesty's Government in fulfilment of a promise previously obtained from Mr. M. Ellinger by Mr. Mallet that such an intimation would be given before any contract was made, and His Majesty's Government were also informed of the actual signing of the contract in a letter from Messrs. Ellinger and Co., also dated the 4th December, 1908.

11. The contract thus entered into was carried out on both sides until further performance of it became impossible for the reasons next referred to.

12. In the spring of 1909 the Muin was threatened with disturbance of his rights owing to the action of the nationalists, and the assistance of His Majesty's Government, on behalf of Messrs. Andrew Weir and Co., was invoked by Messrs. Ellinger and Co., the result of whose application for support may best be illustrated by the following extract from a letter dated the 5th May, 1909, received from the Foreign Office:—

"May 5, 1909.

"In reply to your letter of the 1st instant, I am directed by Secretary Sir E. Grey to inform you that a telegram has been sent to His Majesty's Minister at Tehran, stating that you are desirous that he should be informed that by their contract with the Muin-ut-Tujjar Messrs. Andrew Weir and Co. have acquired the monopoly of the sale of oxide extracted from Hormuz Island, and that British interests would be injured if oxide were removed from island by any party other than Messrs. Andrew Weir and Co. or the Muin-ut-Tujjar."

13. In order that we may not be thought to have overlooked any point disclosed by the correspondence, we refer incidentally here to the fact that in a letter dated the 21st May, 1910, the Secretary of State took up the position that the protection of the rights of Messrs. Ellinger and Co. and Messrs. Andrew Weir and Co. by His Majesty's Government bore relation to the contingency of a confiscation of those rights by the nationalists, and did not apply to the case of disputed validity of the Muin's concession,

and this construction was placed by him upon the following passage in a letter dated the 3rd May, 1909:—

"If the nationalists or anyone else but Messrs. Weir attempt to remove any of the oxide Sir G. Barclay will at once hear of it, and will take the necessary action."

This suggestion was, however, fully answered in a letter from Messrs. Ellinger and Co. dated the 24th June, 1910, and is respectfully submitted to be inconsistent with the obviously wider obligations of His Majesty's Government to be gathered from the whole series of communications that have taken place and fully recognised by the letter of the 5th May, 1909, an extract from which is given above.

14. Later communications of the same year render it clear that His Majesty's Government felt under obligation to protect the interests of Messrs. Andrew Weir and Co., and that Messrs. F. C. Strick and Co. were fully aware of the existence of Messrs. Andrew Weir and Co.'s contract.

15. No question as to the validity of the Muin's concession or the legality of his contract with Messrs. Andrew Weir and Co. arose or at all events was made known to Messrs. Ellinger and Co. until the following April (1910), when they learnt that a sale of 5,000 tons of oxide from Hormuz had been made by the Persian Government, and, on their bringing this to the notice of His Majesty's Government, the information was confirmed as being substantially correct, and it was then for the first time also stated to Messrs. Ellinger and Co. that the Persian Government had decided that the Muin's concession was invalid, and had declined his application for a renewal. As a further development, it became known later to Messrs. Ellinger and Co. that the Persian Government had made a five years' contract with Messrs. F. C. Strick and Co. for the sale of 31,000 tons of oxide, thus tearing up the Muin's concession and the contract made on the faith of it.

16. Communications followed between Messrs. Ellinger and Co. and His Majesty's Government, who at that time were evidently much impressed with the statements made to Mr. Marling as to the alleged invalidity of the Muin's concession, and were even disposed to attribute to the Muin something nearly approaching to fraudulent conduct, and inability on his part to vindicate his alleged right to a concession in perpetuity.

17. The grounds for this attitude on the part of His Majesty's Government are fully set forth in a letter from the Secretary of State to Messrs. Ellinger and Co. dated the 8th July, 1910. It is not to the purpose of this memorandum to traverse the ground of that letter in detail here, but there are some points of great importance which it is desired to bring to the attention of the Secretary of State, and especially as some of them have reference to events subsequent in date to the letter in question:—

(a.) The Muin was left in undisturbed possession of his concession, for several years after it is alleged to have lapsed. A reason for this has been suggested, but is quite unconvincing, especially in view of later events.

(b.) The translation of the supplementary document of 1904, enclosed in a letter from the Secretary of State dated the 29th January, 1909, is submitted to be only capable of being naturally read in the sense of being a perpetual grant, and its contents were not originally regarded either by His Majesty's Government or the Persian Government as casting any doubt on the Muin's title, nor was it called in question until long after its date.

(c.) The Secretary of State was naturally influenced unfavourably by the alleged refusal of the Muin to produce documents establishing his rights. This refusal (if he did, in fact, so refuse) may have been unwise and calculated to create suspicion, but it has to be remembered that an Oriental merchant, who, in the prevailing condition of affairs, might naturally be expected to be suspicious of friend and foe alike, might well have thought it undesirable to produce his documents, even to Mr. Marling. In any case the criticism has since lost much of its force if, as Messrs. Ellinger and Co. have been informed, the Muin has now published all his firmans, and circulated them among the members of the Medjliss.

(d.) The Persian Government, as long ago as April last, and in spite of warnings from His Majesty's Government of the possible consequences of their acts, took the extreme step of violating the Muin's contract with British subjects; but have ever since, notwithstanding all the pressure applied to them, failed to produce any evidence whatsoever to justify their action, or to put it more accurately they, some months ago, furnished a statement which did not contain the information required by His Majesty's Government, and have never since given that information, though pressed to do so.

(e.) The information originally given to Mr. Marling, which so much impressed the Secretary of State, rests avowedly upon the authority of Vekil-ul-Roaya, who is notoriously a bitter enemy of the Muin, except in so far as general confirmation is vaguely stated to have been given by the Administrator of Customs, "who had had some acquaintance with the question for some time past." It may be pointed out also that the information does not appear to have been given by any of the responsible members of the Persian Government or through the usual channels.

18. The facts to which reference has just been made are submitted by Messrs. Ellinger and Co. to point very strongly indeed to the conclusion that, so far from the Muin having traded on a lapsed concession and concealed the fact from Messrs. Ellinger and Co. and Messrs. Andrew Weir and Co., in fraud of the Persian Government and of the British subjects with whom he was contracting, he is in fact the genuine owner of a concession in perpetuity, and has been deprived of his just rights by political intrigue and personal enmity, with the direct result of inflicting most serious injury upon Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. If this is thought to be putting the case for the Muin's concession too high, it must at least be admitted that the case against the concession has not been even attempted to be supported by proof down to the present moment.

19. The Secretary of State has, so far, not seen his way to take the one step which, above all others, is absolutely necessary at the present time to protect Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. from the very grave injury resulting to them from the flooding of the English market with oxide mined in defiance of their rights, by calling upon the Persian Government to suspend the further shipment of oxide until at least the question of the validity of the Muin's concession is definitely decided by competent authority on proper evidence.

20. In the letter from the Secretary of State dated the 15th December, 1910, stress is laid upon the injury that might, if this step were taken, be done to Messrs. F. C. Strick and Co., by whom shipments of oxide have been made continuously since April last, and in an earlier letter the position was taken up that Messrs. F. C. Strick and Co., being British subjects, were as much entitled to consideration as Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. This view is submitted, with great respect, to be not maintainable, for the conclusive reason that whereas Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. are relying upon the support of His Majesty's Government definitely and actively promised for years past, and fortified by an actual expression of opinion as to the validity of the Muin's concession, communicated with express authority to Messrs. Andrew Weir and Co., Messrs. F. C. Strick and Co., on the contrary, are relying only upon a contract entered into at their own risk, and with direct knowledge of the prior right of Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. to the protection of His Majesty's Government. Both the Persian Government and Messrs. F. C. Strick and Co. were distinctly warned by His Majesty's Government, the former that they would be held responsible for any injury to British interests, and the latter that His Majesty's Government were pledged to support the contract with the Muin. The relative positions are submitted to be utterly dissimilar.

21. This, however, does not exhaust the matter, because even on the footing of according equal treatment to conflicting British interests the present position does not represent equal treatment, but a direct preference in favour of Messrs. F. C. Strick and Co. In the first place, Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. feel bound to draw special attention to the fact that, so far as they are able to judge from the sequence of events, the supposed invalidity of the Muin's concession and the possibility of the Persian Government taking forcible action on that footing in favour of Messrs. F. C. Strick and Co., with disastrous results to Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co., must have become known to His Majesty's Government long before any communication on the subject was made to the latter firms, whose interests were vitally affected, and who were all this time relying upon the perpetuity of the concession of which they had received assurances from His Majesty's Government, and on the faith of which the contract with Messrs. Andrew Weir and Co. was entered into. But what is much more important, Messrs. F. C. Strick and Co. have been, and are being still, permitted to ship oxide into this country at their pleasure to the extreme injury of Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co., in the teeth of a concession hitherto fully recognised and supported by His Majesty's Government, the invalidity of which has not been and to all appearances cannot be proved, notwithstanding that His Majesty's Government have been asking to have the evidence produced to them for many months past.

22. The effect of permitting oxide to be shipped by Messrs. F. C. Strick and Co. in existing circumstances is for practical purposes to prejudge the question of the validity of the concession in their favour, and amounts to a withdrawal from Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. of the support to which they claim to be justly entitled, and which has been repeatedly promised to them.

23. It is particularly desired to impress upon the Secretary of State that neither Messrs. Andrew Weir and Co. nor Messrs. Ellinger and Co. have any personal prejudice or feeling of hostility against Messrs. F. C. Strick and Co., with whom they are on friendly terms, and have other business relations. If that firm themselves sustain damage in consequence of the suspension or, it may be, final cancellation of the contract entered into with them, the responsibility for this does not lie with His Majesty's Government, and Messrs. F. C. Strick and Co. may well have a good claim against the Persian Government, whether for assuming a right to enter into a contract with them at all or for delaying all these months to produce the evidence which, taken in connection with all the surrounding circumstances, can alone determine the question whether the Persian Government have acted wrongly towards Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co., or towards Messrs. F. C. Strick and Co., or towards all of them. The apparent antagonism between the interests of Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. on the one hand and Messrs. F. C. Strick and Co. on the other hand is entirely due to and created by the action of the Persian Government, and not to anything personal as between the respective firms, but, for the reasons which have been stated, it is confidently submitted that there can be no doubt as to the prior claim of the first-mentioned firm to the protection and support of His Majesty's Government, even though this may in a sense bring their interests into conflict with those of Messrs. F. C. Strick and Co., who have deliberately risked that contingency. Moreover, it is open to very serious doubt whether the temporary cessation of shipments might not also suit Messrs. F. C. Strick and Co., who are naturally unable to obtain the price for their oxide that they could command if the oxide previously shipped to this country under the Muin's contract were not also in the market.

24. For the above reasons, His Majesty's Government are respectfully and earnestly requested to reconsider by the light of all the circumstances of the case the question of insisting upon the suspension of any further shipments of oxide by Messrs. F. C. Strick and Co., and the justice of requiring matters to be left *in statu quo* until the question whether the Muin's concession is valid in perpetuity, or lapsed years before it was interfered with at all, is settled authoritatively to the satisfaction of His Majesty's Government. Incidentally, it is pointed out that if the suspension asked for is insisted upon by His Majesty's Government, it will obviously be necessary not to give any lengthened notice of requiring suspension, as, otherwise, the Persian Government might be able to ship such a quantity of oxide before the expiration of the notice as would prevent Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. from gaining any relief by the taking of that step.

25. In conclusion, Messrs. Andrew Weir and Co. and Messrs. Ellinger and Co. respectfully point out that they have exercised extreme patience and forbearance in this matter from beginning to end. Every step that has been taken by them has been deliberately and carefully regulated by their anxious wish to carry out what they have clearly understood to be the views of His Majesty's Government. They have devoted an immense amount of time and trouble, which means money as well to them, to the various phases of this matter which has been so intolerably prolonged, and in which they find themselves placed in such a serious position. They ask that His Majesty's Government will now take prompt and decisive action, and thus give practical effect to the encouragement and assurances upon which Messrs. Ellinger and Co. have so long relied, without so far obtaining any relief from the grave injury to the interests of themselves and Messrs. Andrew Weir and Co., which they have been and still are actively suffering, and which is being aggravated by every shipment of oxide made to this country in defiance of the monopoly expressly conceded by the Muin's contract of the 4th December, 1908.

E. F. TURNER AND SONS.

115, Leadenhall Street, London,
January 5, 1911.

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No. 34.

India Office to Foreign Office.—(Received January 6.)

Sir,

India Office, January 6, 1911.

WITH reference to Mr. Langley's letter of the 2nd November last to the Secretary, War Office, I am directed by the Secretary of State for India in Council to request the favour of a very early reply to my letter of the 18th October last regarding the permanent appointment of a military intelligence officer at Meshed.

In the meantime, I am to say that the Earl of Crewe trusts that the Secretary of State for Foreign Affairs will advise the Lords Commissioners of the Treasury to sanction the continuance of the appointment provisionally until the 31st March next, the sanction accorded in their letter of the 22nd October last having expired on the 31st ultimo.

I am, &c.

R. RITCHIE.

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No. 35.

Sir C. Spring-Rice to Sir Edward Grey.—(Received January 6.)

(No. 1.)

(Telegraphic.) P.

Stockholm, January 6, 1911.

ACCORDING to an official statement published in the press here a preliminary enquiry has been addressed by the Persian Government to the Swedish Government as to how the latter would be disposed to regard a request for the loan of Swedish officers to reorganise the Persian gendarmerie. The statement adds that the Swedish Government has replied that until they are in possession of the details as to conditions of service they cannot return a definite answer. No information on the subject has been given to this legation by the Swedish Minister for Foreign Affairs, but it is possible his Excellency may consult me, and I should be glad of instructions as to what line I should adopt if he does so.

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No. 36.

Sir Edward Grey to Sir G. Barclay.

(No. 8.)

(Telegraphic.) P.

Foreign Office, January 6, 1911.

INTENTION of oil company to bore for oil in territory of Sheikh of Mohammerah.

With reference to paragraphs 8 and 9 of my despatch No. 201 of the 19th December, there is, according to the oil company, a slight misunderstanding as to their intention, which is that proposed agreement with Sheikh of Mohammerah shall be brought to the knowledge of the Persian Government, who are to be informed of the company's intention to deduct eventually, from share of profits due to Government, sum paid to sheikh under above-mentioned agreement. They do not propose, as we believe, to wait till payment is due and deduction actually made before offering explanations to the Government.

I have informed company that in the former, as in the latter and more drastic course, they may, subject to your concurrence, count upon support of His Majesty's Government.

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No. 37.

Sir Edward Grey to Sir C. Spring-Rice.

(No. 4.)

(Telegraphic.) P.

Foreign Office, January 6, 1911.

SWEDISH officers for Persia.

If you are consulted on the subject (see your telegram No. 1 of to-day) you could say that we must leave the decision of the matter entirely to the Swedish Government.

The following is confidential and for your own information only:—

We have doubts as to the possibility of finding Swedish officers who would be efficient in Persia, but we have no objection on political grounds to the proposal.

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No. 38.

Lord Kilmarnock to Sir Edward Grey.—(Received January 7.)

(No. 2.)

(Telegraphic.) R.

Stockholm, January 7, 1911.

IN consequence of private telegram from Sir G. Barclay, action on your telegram No. 3 of 3rd January was delayed till to-day. On my making communication, Swedish Minister for Foreign Affairs said that consul-general had not yet resigned, but that he was grateful for information supplied by His Majesty's Government.

His Excellency added that he was glad of the opportunity of speaking to me about preliminary enquiries of the Persian Government respecting Swedish officers for Persian gendarmerie (as reported in Sir C. Spring-Rice's telegram No. 1 of 6th January). The enquiry had been made through Persian Minister in Paris, and, as a telegraphic answer had been asked for, he had not been able to communicate with His Majesty's Legation before sending reply, which, however, had been quite non-committal. He recognised importance of our interests in Persia, and if we had any objections to make would be glad to consider them. Swedish Minister in London has been instructed to speak to you in this sense.

His Excellency said that many Swedish officers were anxious to volunteer.

(Sent to Tehran.)

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No. 39.

Imperial Bank of Persia to Foreign Office.—(Received January 9.)

Sir,

25, Abchurch Lane, London, January 6, 1911.

I HAVE the honour to acknowledge the receipt of your letter of the 4th instant, enclosing a receivable order for the sum of 8,380*l.* 17*s.* 4*d.*, which sum we have paid to the Bank of England for credit of the Secretary of State in Council of India.

I take note in future to correspond direct with the India Office on the subject of these receipts.

I have, &c.

G. NEWELL, Manager.

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No. 40.

Sir G. Barclay to Sir Edward Grey.—(Received January 9.)

(No. 9.)

(Telegraphic.) P.

Tehran, January 9, 1911.

OIL company's proposed boring operations at Ahwaz.

An indignant protest would be called forth from Persian Government if announcement were made that it is intended to deduct surcharge from profits of Persian Government. I would point out that in the case of the Abadan agreement (see Mr. Marling's despatch No. 71 of the 14th May) Persian Government even contested the right of Sheikh Kha'zal to transfer his lands at all. In these circumstances Persian Government would certainly, *à fortiori*, refuse to recognise any rights as granted by firman, with the exception of such as belong to private landowners in Persia, as against which the rights of the oil company are only conditioned by paragraph 2 of article 3 of its concession from Persian Government.

If the matter is taken out of the domain of private negotiation between the Sheikh of Mohammerah and the oil company, a conflict would ensue between the former and the Persian Government, which the latter, suspicious and jealous of our relations with the sheikh as it is, would especially welcome, as ostensibly it would be acting on behalf of British interests in the matter. I venture to submit, therefore, that to postpone, if possible, any explanations to Persian Government until payment falls due and deduction is actually made would seem to be the less inexpedient of the two alternatives. Such a course, however, if Persian Government had had no voice in the

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matter, would be somewhat arbitrary and difficult to justify if, as provided in article 17 of the concession, question went to arbitration.

In whatever way it is treated, the whole question must remain a very awkward one, and, if the oil company persists, whichever alternative is adopted will be likely to give rise to a triangular dispute between ourselves, Persian Government, and the sheikh.

I trust, therefore, that strong pressure may be exercised on the oil company to defer borings on the sheikh's lands until they become more essential to its prosperity than at present appears, unless, of course, an arrangement can be come to with the sheikh without involving the question of any surcharge.

Please see letter from His Majesty's consul-general at Bushire to Lieutenant Wilson at Mohammerah under date of the 6th November and forwarded in my despatch No. 228 of the 12th December, 1910.

I defer sending any instructions to consuls pending your reply.

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No. 41.

Foreign Office to India Office.

Sir,

Foreign Office, January 9, 1911.

WITH reference to letter from this Office of the 3rd instant relative to the question of the restoration of order on the roads of Southern Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith, to be laid before the Earl of Crewe, copy of a telegram from His Majesty's Minister at Tehran,* submitting the draft of the reply which he proposes should be returned to the note of the Persian Government on the subject.

I am to state that the full text of the Persian note will be received here about the 11th instant, and that Sir E. Grey would propose to await its arrival before finally deciding upon the terms of the reply. Subject, however, to any fresh considerations which a perusal of the text may suggest, he is disposed to concur in Sir G. Barclay's suggestions and to share the opinion that it would be inexpedient, by urging upon the Persian Government the immediate conclusion of the loan, to give them the impression that His Majesty's Government attach great importance to the matter. Should the Persian Government complain that, in default of the sums which they had proposed to derive from the surcharge, their resources are insufficient to carry out the programme which they have outlined, it will at any moment be possible to point out to them that their remedy lies in the speedy conclusion of the loan.

I am to state that Sir E. Grey would be glad to receive any observations which Lord Crewe may have to offer on the proposed reply pending the arrival of the text of the Persian Government's note.

I am, &c.
LOUIS MALLET.

[610]

No. 42.

Sir Edward Grey to Sir G. Barclay.

(No. 11.)

(Telegraphic.) P.

Foreign Office, January 10, 1911.

HORMUZ oxide. My telegram No. 362 of the 15th December.

Ellingers maintain that by permitting shipments under Stricks' contract we prejudice case against Muin-ut-Tujjar and in favour of Persian Government, deprive them of the support which we promised them, and at the same time cause the market to be flooded with superfluous oxide, and so inflict loss on their firm.

On these grounds they urge strongly that further shipments should be stopped.

In spite of repeated demands no proof of their contention has been forthcoming from Persian Government, in view of which I should be glad to know whether you think we ought to act as Ellingers desire, and, if so, what measures we ought to take in the event of our prohibition being disregarded by Persian Government.

Stricks, now that date season is nearly over, will require freight for their ships, and Ellingers therefore expected that shipments will very soon take place.

Do you not think it would be possible to extract proofs from Persian Government?

[1776]

No. 43.

Sir Edward Grey to Sir C. Spring-Rice.

(No. 2.)

Sir,

Foreign Office, January 10, 1911.

THE Swedish Minister enquired to-day of Sir A. Nicolson, on behalf of his Government, whether His Majesty's Government would view with displeasure their compliance with a request made to them by the Persian Government for the loan of some Swedish officers to organise the Persian gendarmerie.

Sir A. Nicolson informed Count Wrangel that His Majesty's Government had no objection, from a political point of view, to the supply of officers by the Swedish Government, and that the question was one for the latter themselves to decide.

Sir A. Nicolson further asked whether, in Count Wrangel's opinion, Swedish officers could be found who possessed a knowledge of the necessary languages and an acquaintance with eastern habits and ways.

Count Wrangel replied that some Swedish officers had already been employed in the Turkish service with considerable success, and that he was sure that his Government would make a careful selection.

I am, &c.
E. GREY.

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No. 44.

Sir Edward Grey to the Marquis Imperiali.

Your Excellency,

Foreign Office, January 10, 1911.

WITH reference to your request, made on the 3rd instant through Sir Arthur Nicolson, that the British acting consul at Shiraz should take charge of Italian interests at that place in order to facilitate the settlement of some important claims, I have the honour to inform you that I have much pleasure in sanctioning this arrangement, and that the necessary instructions will be conveyed to that officer through His Majesty's Minister at Tehran.

I have, &c.
E. GREY.

[630]

No. 45.

Foreign Office to India Office.

Sir,

Foreign Office, January 10, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 6th instant relative to the permanent appointment of a military attaché or intelligence officer at His Majesty's consulate-general at Meshed.

I am to inform you, in reply, that the views of the Army Council, to whom, as the Earl of Crewe is aware, from the letter of the 2nd November last from this Office, your communication of the 18th October was referred, was received on the 5th instant, and that Sir E. Grey's observations with regard to it will shortly reach you.

With reference to the last paragraph of your letter under reply, I am to transmit to you herewith copy of a communication which Sir E. Grey has caused to be addressed to the Treasury,* expressing the hope that effect may be given to the desire formulated therein.

I am, &c.
LOUIS MALLET.

[630]

No. 46.

Foreign Office to Treasury.

Sir,

Foreign Office, January 10, 1911.

WITH reference to your letter of the 22nd October last relative to the permanent appointment of a military attaché or intelligence officer at His Majesty's consulate-general at Meshed, I am directed by Secretary Sir Edward Grey to transmit to you herewith copies of correspondence with the India Office on the subject.*

In view of the circumstances of the case, I am to express Sir E. Grey's hope that the Lords Commissioners of His Majesty's Treasury may see their way to give effect to the wish expressed in the last paragraph of the India Office letter of the 6th instant, by sanctioning the continuance of the appointment provisionally till the 31st March next.

I am, &c.

LOUIS MALLET.

[1697]

No. 47.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 234.)

Sir,

Tehran, December 23, 1910.

WITH reference to my despatch No. 217 of the 24th November, I have the honour to transmit copy of a despatch addressed to the Government of India by His Majesty's consul-general at Bushire, in which Colonel Cox comments on the views expressed by Mr. Acting Consul Smart in his despatch to me No. 45 of the 25th ultimo regarding the attitude which we should observe towards Soulet-ed-Dowleh.

I concur with Colonel Cox in thinking that partisanship on our part for or against Soulet is to be deprecated.

You will remember that Mr. Smart's despatch, on which Colonel Cox comments, was written under a misapprehension due to the wording of my note of the 14th October respecting the disorders on the southern trade routes.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 47.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 88. Confidential.)

Sir,

Bushire, November 20, 1910.

WITH reference to the correspondence ending with Mr. Smart's telegram No. 85, dated the 16th November, to your address, I have the honour to forward herewith, for your Excellency's information, a copy of the letter which I have addressed to the Government of India in the Foreign Department regarding our policy in Fars.

I have, &c.

P. Z. COX,

*Political Resident in the Persian Gulf,
and Consul-General for Fars, &c.*

Enclosure 2 in No. 47.

Lieutenant-Colonel Cox to Government of India.

(Confidential.)

Sir,

Bushire, November 20, 1910.

IN continuation of my letter dated the 5th November, 1910, on the subject of Fars politics, I have the honour to forward, for the information of the Government of India, copies of further communications in the same connection received from His Majesty's consul at Shiraz.†

* Nos. 34 and 45.

† Consul Smart, No. 45, October 25; ditto, No. 85, Telegraphic, November 16, 1910.

2. I am sorry to find myself differing a good deal from the views expressed by Mr. Smart.

I strongly deprecate active partisanship on our part for or against the Soulet, whether at Tehran or Shiraz. I was never in favour of what may be called Mr. Bill's "pro-Soulet" policy involving the adoption of the Firuzabad route, and I disagree no less with the "anti-Soulet" recommendations made by Mr. Smart now. Nor, indeed, can I reconcile the latter with the simultaneous request made by him to the Soulet and his brother to provide for the safe conduct of Dr. Woollatt and Mr. Ferguson, of the Imperial Bank, and their respective families from Bushire to Shiraz on return from leave. This large party has just reached Kazeroon under the Soulet's auspices, and to-day proceeded on towards Shiraz under the same arrangement.

3. It has, I think, always been regarded as a constant factor in our policy, and it is one which the country-side fully recognises and appreciates, that the interest taken by British representatives in the politics and dissensions of the interior is that of the attentive spectator and not that of the partisan, and it is in my judgment especially necessary under the kaleidoscopic and topsy-turvy conditions of to-day that we should, as usual, preserve a tolerant and detached attitude towards the various elements in conflict, and maintain with them ordinary relations of friendly intercourse. It is a great advantage when occasion arises to be in a position to make use of these relations to promote our commercial interests or facilitate our work, as we have done in the instance which has just arisen in the necessity of arranging for the safe journey of the Woollatt and Ferguson families from Bushire to Shiraz.

Moreover, we have recently decided to give the Persian Government one more chance of restoring order by their own unaided means. One can but be sceptical of their ability to do it, except, of course, quite temporarily, but as we have so decided, it is my opinion that we shall be wiser to let them choose their own means and instruments and not provide them with the possible material for rounding on us later on for their ill-success. As regards the Soulet, it seems to me quite problematical at the moment as to whether the central authorities will elect to make their attempt by his aid or by his preliminary extinction, but as regards the latter measure it may be taken for granted that it will be by no means simple of achievement except by assassination.

If the Persian Government again fail to satisfy us and we are ultimately obliged to give them active assistance in the re-creation of security on the southern trade routes, then surely our task will be all the easier if we start unhampered by any inconvenient ties of active friendship or pronounced enmity with influential if conflicting political elements in the province.

4. Again, looking at the question from a more comprehensive point of view than that of Fars alone, from which Mr. Smart writes, I think it will be agreed that the extinction of the Soulet would mean the strengthening of the Bakhtiari domination, and in my personal opinion our present interests in Persia do not lie in that direction.

5. I am posting a copy of this communication to His Majesty's Minister. In the meanwhile, on receipt of Mr. Smart's despatch No. 45, should he ask for my views by telegraph, they will be submitted in the sense of the foregoing.

I have, &c.

P. Z. COX,

*Political Resident in the Persian Gulf,
and Consul-General for Fars, &c.*

[1698]

No. 48.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 235.)

Sir,

Tehran, December 23, 1910.

WITH reference to your despatch No. 114 of the 26th July, 1909, respecting the question of the status of Bahreinis in Persia, I have the honour to transmit herewith copy of a despatch from His Majesty's consul-general at Bushire, pointing out that the security and prosperity now existing at Mohammerah have attracted considerable numbers of immigrants from Bahrein, who demand to be registered at His Majesty's consulate and brought under British protection. This has attracted the attention of other Bahreinis resident in Mohammerah, who now claim similar treatment.

Colonel Cox, when at Mohammerah in October last, discussed the matter with the sheikh, and the solution arrived at on that occasion is embodied in the letter from His

[1768]

P

Majesty's consul at Mohammerah to Sheikh Khazal, which forms Enclosure 3 in this despatch.

I venture to express the opinion that the arrangement seems an eminently satisfactory one, especially in view of the private agreement come to by Lieutenant Wilson with the Deputy-Governor of Mohammerah, referred to in the second paragraph of Lieutenant Wilson's despatch to Colonel Cox of the 21st October.

I would propose, subject to your concurrence, to approve the action of Colonel Cox and Lieutenant Wilson in this matter.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 48.

Lieutenant-Colonel Cox to Sir G. Barclay.

(Confidential.)

Bushire, October 30, 1910.

Sir,
I HAVE the honour to refer to the correspondence on the subject of Bahreinis dwelling or sojourning in Persia, ending with your despatch No. 116, dated the 4th June, 1909, to His Majesty's Secretary of State.

The greater measure of security and prosperity existing in Mohammerah compared to other Persian ports of late years is attracting a gradually increasing number of immigrants from Bahrein, and, since the location in those islands of a political agent on behalf of the Government of India (1904), these immigrants have been in the habit of arming themselves with a passport from the Sheikh of Bahrein, countersigned by the political agent, and then, on arrival at Mohammerah, demand to be registered at the British consulate and brought under protection.

This development naturally has attracted the attention of the numerous other families of Bahrein origin in Mohammerah who have lived there all their lives, if not for a generation or two, and who came there at a time when there was no question of their having British protection, and became enrolled in the lists of the sheikh's tribal dependents like other subjects of his.

Individuals of this class have of late been importuning the consulate for registration, and when I recently visited Bahrein the matter was at a stage which did not admit of its being fenced with or put on one side. At the same time, I was aware that the juncture was a most inconvenient one for asking your Excellency to revive the issue with the Central Government.

The subject was therefore discussed frankly with the sheikh, and the solution arrived at by my present enclosures explain.

It was designedly given a personal and local aspect, in order that His Majesty's Legation might not necessarily be committed thereby, if it was not approved. On the other hand, it is hoped that it will provide a workable *modus vivendi* for Mohammerah, and, in any case, places us in a better position in regard to Bahreinis than we have been able to achieve in other Persian ports, where we do not register Bahreinis, and where opposition is invariably offered to the exercise of our good offices in their behalf.

I am forwarding a copy of this letter to the Government of India.

I have, &c.

P. Z. COX, *Lieutenant-Colonel, British Resident
in the Persian Gulf, and His Britannic
Majesty's Consul-General for Fars, &c.*

Enclosure 2 in No. 48.

Lieutenant Wilson to Lieutenant-Colonel Cox.

Sir,

Mohammerah, October 21, 1910.

I HAVE the honour to enclose a copy of a letter which, after consultation with you, I addressed yesterday to his Excellency Sheikh Sir Khazal Khan on the subject of the title of Bahreinis to protection whilst within his boundaries.

2. I have further come to a private arrangement with Agha Abdi, Deputy-Governor of Mohammerah, whereby he undertakes to refer to me informally all cases concerning Bahreinis, whether registered or not, before taking forcible action, on the understanding that I do not interfere with his legitimate rights in the last resort, to

imprison recalcitrant debtors and malefactors, after I have satisfied myself by enquiry of the guilt of the accused persons.

It is too soon to predict how this arrangement will work in practice, but I am not without hopes that it may gradually ripen into a full recognition of the position we occupy in regard to the people of Bahrein.

3. I estimate the number of persons entitled, under the new arrangement, to registration at about 100, out of which about 60 may be expected to avail themselves of the privilege. The number of Bahreinis in Arabistan legally entitled to our protection, i.e., born in Bahrein or of parents born in Bahrein, is probably from 1,000 to 1,500, of whom some 500 live in Mohammerah.

4. It is therefore necessary to be circumspect when offering encouragement or countenance in this locality to Bahreinis applying for British protection and good offices, and I think the present arrangement is quite as wide in its scope as is at present desirable in our own interests here. The arrangement which has been come to is an informal one between the sheikh and this consulate, involving a far fuller recognition of our rights in regard to Bahrein than has yet been conceded by the Persian Government, who would doubtless object strongly were they to hear of the arrangement. I am therefore keeping the existence of this agreement confidential, as far as possible.

I have, &c.

A. T. WILSON, *Lieutenant, I.A.,
His Britannic Majesty's Acting Consul for Arabistan.*

Enclosure 3 in No. 48.

Lieutenant Wilson to the Sheikh of Mohammerah.

(After compliments.)

Mohammerah, October 20, 1910.

WITH reference to the discussions of the subject which have taken place between us during the last few days on the subject of the title of Bahreinis to British protection while within your boundaries, I have the honour to confirm that it is agreed in a friendly compromise as between your Excellency and this consulate, with the concurrence of Colonel Cox, as follows:—

Bahreinis who have taken up their residence in Mohammerah since your accession shall be registered by His Majesty's consul upon application by them, after verification in each case in concert with you.

Should the statements of the persons themselves and of your representatives be at variance as to whether they are entitled to registration, and the title should appear to be in doubt, an enquiry will be held and the point will be decided according to the testimony of witnesses. The children of such persons shall be entitled to registration in the same way.

This arrangement with your Excellency is agreed by this consulate on the clear understanding that all Bahreinis entering or residing in your limits, whether entitled to registration or not, shall be treated with consideration, and not be subject to annoyances by your subordinates.

Should this unfortunately happen it will become impossible to adhere to this agreement, and it will become necessary to seek a solution of the question on other lines.

A. T. WILSON, *Lieutenant, I.A.,
His Britannic Majesty's Acting Consul for Arabistan.*

[1699]

No. 49.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 236.)

Sir,

Tehran, December 24, 1910.

WITH reference to my despatch No. 40 of the 20th March last, I have the honour to transmit a translation of a note from the Persian Government regarding the running by the Anglo-Persian Oil Company of its launch on the Upper Karun. I fear that this communication indicates that unless some arrangement is come to between the company and the Persian Government, the latter, on the expiry in March next of the period for which permission to run the launch was granted, will make difficulties about extending

the permission, and will renew their objections to the barges which, as you are aware, have been placed by the company on the Upper Karun without the consent of the Persian Government.

In my despatch No. 174 of the 8th September last, I suggested that a settlement in the Persian Government's favour of the dispute arising out of article 4 of the company's concession might be offered as a *quid pro quo* for the abandonment by the Persian Government of their opposition to the barges and the telephone which, also without the consent of the Persian Government, the company is constructing along its pipe-line.

Concurrently with his negotiations in regard to the Kerman mining concession, Mr. Preece negotiated with Vekil-ul-Roya an arrangement on the lines indicated in my despatch No. 174. Unfortunately, as reported in my despatch No. 232 of the 19th instant, the Persian Government have now disavowed Vekil-ul-Roya's negotiations. They have, however, continued to press for a settlement of their claim against the oil company in respect of its alleged non-compliance with the stipulations of article 4 of its concession, and Mr. Preece, being very anxious to come to a settlement of this long-standing dispute, has offered to compromise on terms favourable to the Persian Government, and has at the same time waived the condition that in return for a settlement the Persian Government should undertake to abandon their opposition to the telephone and barges. He has waived this condition with less reluctance, as he hopes to be able to obtain an undertaking in the sense desired, when the negotiations for the Kerman mining concession are resumed under the more favourable auspices of the new Cabinet which Sardar Assad is seeking to establish.

Meanwhile I do not propose to reply to the Persian Government's note.

I have, &c.

G. BARCLAY.

Enclosure in No. 49.

Hussain Kuli Khan to Sir G. Barclay.

(Translation.)

Your Excellency,

Tehran, December 11, 1910.

IN reply to your Excellency's note of the 23rd March, I have the honour to say that in the year 1337 (1889) the Persian Government, by virtue of a firman, gave the concession for navigation and all kinds of transport from Ahwaz to Shuster and Dizful to the Nasiri Company. Consequently, the late Sakat-ul-Mulk, the Under-Secretary for Foreign Affairs, was acting without previous knowledge or reference to the above-mentioned concession when he gave permission to the oil company to use for one year a launch on the Upper Karun, a position which caused so much stir and protest.

Notwithstanding this, I have left that one year's permit as it stood; but with respect to that portion of your Excellency's note which runs as follows:—

"I feel it right to inform you at once that this is not likely to suffice for the requirements of the company's business, in which case I shall be compelled before the year expires to apply to the Persian Government for a renewal of its position."

I have the honour to inform your Excellency that it will not be possible for the Foreign Ministry to take this portion of your note into consideration, or to believe that the oil company would be able, after the lapse of one year, to apply again for permission to use the launch for a further period. This representation made in advance does not place the Foreign Ministry in a position at this juncture to fall in with the wishes of the oil company.

At the same time I do not think it out of place to inform your Excellency that matters concerning the oil well [literally oil mine, probably meaning oil company] and other mines directly concern the Ministry of Public Works, and it is the duty of that Ministry to attend to the affairs of that administration and to settle them.

It therefore follows that the oil company will refer their affairs to that Ministry.

I avail, &c.

HUSSEIN KULI.

[1137]

No. 50.

Sir G. Barclay to Sir Edward Grey.—(Received January 11, 1911.)

(No. 237.)

Sir,

Tehran, December 27, 1910.

WITH reference to my despatch No. 221 of the 30th ultimo, I have the honour to transmit a memorandum compiled by Major Stokes from despatches and telegrams from His Majesty's acting consul at Shiraz on the negotiations between the Persian Government and Soulet-ed-Dowleh for the opening of the main route from Bushire to Shiraz, and on the state of this road and of the road from Shiraz to Ispahan during the past few weeks.

It will be seen that since Soulet announced that the main Bushire-Shiraz route was opened his measures for its protection have not sufficed to prevent robberies or to secure the recovery of the stolen property, and that certain British traders hesitate to use the road pending assurances from me that the Persian Government will be held responsible for losses, assurances which, in the face of the official notification of last spring as to the opening of the Jirreh road, I do not see my way to give until I can obtain from the Persian Government an official announcement that the main route is now open. So far I have not been able to extract this announcement.

Nevertheless it will be noticed that caravans are passing along this road and also along the road from Shiraz to Ispahan, and no robberies have been reported from any part of the road since the 5th December. This improvement is due, no doubt, more to the cold weather than to the measures taken for the security of the road, and Colonel Cox, in a despatch copy of which I enclose, gives reasons for thinking that Soulet-ed-Dowleh's co-operation with the Persian Government for the protection of the main Bushire-Shiraz route will not be of long duration. But, however Soulet-ed-Dowleh's attitude may develop, Nizam-es-Sultaneh, the new Governor-General of Fars, if the Persian Government perseveres in its efforts to support him with troops and obtains the means of doing so by accepting the Imperial Bank of Persia's loan, should before the end of the winter have behind him a force which should give him a fair chance of coping with the situation without Soulet-ed-Dowleh's aid.

In any case I think that while immunity from robberies on the Bushire-Ispahan road, which has now lasted for three weeks, continues it would hardly be desirable that we should begin to insist on the acceptance of our scheme for the policing of the road.

I have been totally unable to induce the Minister for Foreign Affairs to entertain the idea of spontaneously applying for our officers. He no doubt realises that British Indian officers are specially suited to the work we propose should be entrusted to them, but the apprehension that their engagement would provoke a demand from Russia for analogous arrangements on some of the northern roads is so general that a proposal for an application in the sense desired could have no chance of passing the Medjliss, nor do I think that the Persian Government could be induced to accept our scheme by the ordinary methods of diplomatic pressure.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 50.

Memorandum by Major Stokes.

EARLY in November Soulet-ed-Dowleh arrived at Kazeroun at the request of the Minister of the Interior, and negotiations by telegraph were immediately begun with him for the opening up of the Kazeroun road to Bushire. While the negotiations were proceeding, on the 14th November a very serious robbery by Boir Ahmadi (100 on foot and 10 mounted) took place at Ak-Chashmeh, the point at which the Kazeroun and Firuzabad roads meet, some 12 miles from Shiraz. Over 100 mules and 100 loads were carried off, half the plundered goods being the property of British merchants. This robbery, occurring when it did, could only be harmful to Soulet-ed-Dowleh's interests. From this fact it is to be inferred that the Boir Ahmadi, instigated in the past to plunder caravans in Soulet-ed-Dowleh's interests, are now continuing to plunder

to his detriment. In reply to telegrams from His Majesty's acting consul and from the Shiraz merchants he stated that he had sent a force to recover the goods. So far none of the stolen property has been restored.

Meanwhile negotiations for the opening of the Kazeroun road continued. Soulet-ed-Dowleh was most reluctant to open the road because of the pecuniary loss entailed to him by the closing of the Jirreh road, and because once the Kazeroun road is opened the central Government can gradually take over the policing of it themselves. If they do this, he loses control of the main trade route, which is the chief cause of his power. On the other hand, as his representatives at Tehran pointed out to him, the Persian Government must, in view of the British note of the 14th October, open the Kazeroun road, and if, therefore, he would not agree to do it, they would be compelled to use force against him. Soulet-ed-Dowleh, well aware of his inability to hold his own if force were used against him, agreed to open the road. The Government on their part undertook to pay for any number of guards he might find necessary to keep the road open. In addition, he was promised the support of the Government and, it is said, the governorships of Kamarij and Mamasenni.

The Kazeroun road was accordingly opened, and of 400 guards, for which it was arranged the Government should pay, 200 were placed on the section Kazeroun-Shiraz.

Relying on Soulet-ed-Dowleh's declaration that the road was safe, over 3,000 mules left Shiraz for Bushire during the last week of November.

On the 27th November a strong force of robbers, said to be the Boir Ahmadi and Kashgais, attacked these caravans at Pul-i-Karakach and carried off 184 loads, 260 animals, and two pilgrims (women). There were no British goods in these caravans. This robbery caused a panic among the merchants in Shiraz, and did much harm to Soulet-ed-Dowleh's nascent popularity.

It has been variously suggested that this robbery was due to—

1. Soulet-ed-Dowleh's desire to force the traffic back to the Jirreh road, or to compel the Government to give him more governorships and an increased allowance for guards.
2. His maintaining an inadequate number of guards, and pocketing the allowance for guards.
3. To his having lost control of his tribes, the robbery being the work of those of his own tribe who are opposed to him.

In any case the responsibility lies with Soulet-ed-Dowleh. Towards the end of November there was some fighting amongst the Kashgais near Kazeroun as a result of Soulet-ed-Dowleh's attempts to chastise the Farsismadan tribe, which was apparently chiefly responsible for the damage done to the telegraph lines last October. Some twenty men were killed on both sides.

A third robbery occurred on the 5th December some 40 miles from Shiraz, when a caravan accompanied by troops was attacked by a mixed band of Kashgais and Lurs. No details are to hand of the extent of the robbery. What seems clear is that the widespread disaffection against him in his own tribe is making the task of safeguarding the Kazeroun road a difficult one for Soulet-ed-Dowleh. He has so far failed either to afford effective protection to caravans or to recover plundered goods. Caravans on the main route are, however, reaching Bushire in safety, and the majority of the local merchants are dispatching goods, though certain British firms hesitate to do so pending assurances from His Majesty's Legation that the Persian Government will be held responsible for losses.

The first results of the British note of the 14th October were to make Soulet-ed-Dowleh for the moment supreme, and to force him to open the Kazeroun road. Three months were all too short a time for the Persian Government to get a new Governor-General to Shiraz and to open the road themselves. Consequently they had to offer Soulet-ed-Dowleh the choice between opening the road and being treated as a rebel. He chose the former.

The Shiraz-Ispahan road is being used by caravans with safety. This safety is to be attributed in great measure to the arrival of winter, and failing the presence of a strong governor with troops, the spring, when the tribes begin to migrate, will once more be a period of danger.

C. B. S.

Enclosure 2 in No. 50.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 90. Confidential.)

Bushire, November 29, 1910.

Sir,

WITH reference to the correspondence ending with Legation telegram No. 251 dated the 24th November, 1910, I have the honour to forward, for your Excellency's information, a copy of a further letter on the subject of the situation in Fars which I have addressed to the Government of India in the Foreign Department.

Copies of the letter forwarded herewith and of my letter of the 20th instant have been forwarded to His Majesty's acting consul at Shiraz for information.

I have, &c.

P. Z. COX,

*Political Resident in the Persian Gulf, and
Consul-General for Fars, &c.*

Enclosure 3 in No. 50.

Lieutenant-Colonel Cox to Government of India.

(Confidential.)

Bushire, November 27, 1910.

Sir,

IN continuation of my letter dated the 20th instant on the subject of the situation in Fars, I have the honour to forward, for the information of Government, copies of further correspondence in the same connection.*

2. With reference to the doubt expressed by me in paragraph 3 of my last communication as to whether the central Government would attempt to pacify Fars and restore security for caravan traffic by the suppression of the Soulet-ed-Dowleh, Kashgai, or through his instrumentality, it will be seen from the first entry in Mr. Smart's news sheet for the week ending the 12th November that the trend of probabilities seems to be in the direction of the latter alternative, and the news entry derives corroboration here from a telegram received by certain Persian merchants from their Shiraz agents to the effect that the task of providing security for caravans on the Kazeroun route has been, or is to be, entrusted to the Soulet.

3. In view of the above information, I think we are warranted in assuming for the moment that the means which the central Government intend to employ—I may say are driven by force of circumstances to employ—in order to effect a degree of security on the Bushire-Ispahan route sufficient to satisfy the demands of the British note will be the delegation of the task to the Kashgai Ilkhani.

The primary object of our ultimatum is no doubt to ensure that something specific shall be done to save our commerce entering Southern Persia by Bushire and Bunder Abbas from complete annihilation, and I have before expressed the view that we had best leave the central Government to make the forlorn attempt in their own way and not be identified with their probable failure, but now that it is tolerably clear how they propose to set about it we may advisedly consider the outlook from the point of view provided.

The necessities of our commerce may indeed be met for a time, for it will probably suit the Soulet's personal aims to maintain security, also for a time, on the Kazeroun route—the only route of which we should take cognisance—but it will remain secure not at the will of the central Government, but at the independent pleasure or caprice of the Kashgai chief. It is thus the more unfortunate that the Soulet's own financial interests are altogether inconsistent with a permanent reversion to the Kazeroun route, and lie in the use of the Firozabad or Jirreh alternatives, since the latter, passing through his personal estates and the sphere of Kashgai migration, afford him and his tribesmen every opportunity for making a large income out of passing traffic, by the sale of their produce to muleteers at exorbitant rates of their own fixing. The same considerations apply to the Shiraz-Ispahan section.

It will be realised, therefore, that any measure of security achieved on the Bushire-Ispahan route by the Persian Government through the instrumentality of the

* Shiraz news, November 5; ditto, November 12; Minister to Consul, Shiraz, Telegraphic, November 23, 1910.

Soulet is likely to be quite ephemeral, and, when it comes to an end, to leave us in precisely the same position as we were in before.

4. It is also a matter for conjecture whether the Soulet, whose present predominant position and influence in Fars, outside his own tribe, is based on a presupposed absence of obligation to pay revenue or submit to constituted authority, will be able to retain that position once he becomes an instrument of Government, and as such has to range himself on the side of constituted authority. My own belief is that, though a measure of temporary security may result from the employment of the Kashgai chief as seemingly contemplated, it is out of the question to suppose that the Persian Government can effect anything but a superficial and illusory semblance of improvement within the period of three months allowed them; and that no permanent amelioration of conditions can be hoped for from any programme which does not include the location in Fars of a large body of regular troops, sufficiently strong and imposing to enable local governors to enforce authority without humiliating appeals for the assistance or sufferance of the notables, small and great, of the province, who are themselves the foci of all the elements of anarchy now prevailing.

The chaos which exists has taken years to develop, and it seems to me that it can be effectively remedied in no less a period of time by any means which the Persian Government can unaided bring to bear.

A copy of this communication is being forwarded to His Majesty's Minister, Tehran, for information.

I have, &c.
P. Z. COX,
*Political Resident in the Persian Gulf, and
Consul-General for Fars, &c.*

[1700]

No. 51.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 238.)

Sir,

Tehran, December 27, 1910.

I HAVE the honour to report that since the debate on the subject of the Imperial Bank's loan, reported in my telegram No. 498 of the 7th instant, there has been no further discussion on the subject in the Medjliss in open session, though I understand that it has on several occasions been discussed in secret sittings.

Meanwhile, a committee has been appointed by Government composed of fourteen members, two representing each Ministry; five of them are Europeans from the Customs and Postal administrations. The functions of the committee are to consider what portion of the proceeds of the loan should be assigned to each Ministry and to elaborate a scheme for the control of expenditure.

I understand that no decision has yet been come to regarding either the sum to be assigned to each Ministry or the form which control is to take, but that there is a likelihood that a European will be attached to each Ministry to supervise the expenditure of its share, and Hussein Kuli Khan tells me that he has hopes that as much as 1,500,000 tomans will be specially ear-marked for the restoration of order in the south.

I have, &c.
G. BARCLAY.

[1701]

No. 52.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 239.)

Sir,

Tehran, December 27, 1910.

WITH reference to my telegram No. 510 of yesterday's date, I have the honour to transmit herein translation of the note which I have received from the Minister of Foreign Affairs, in which Hussein Kuli Khan complains of a reply returned by you on the 22nd ultimo to a question asked in the House of Commons respecting the situation in Persia.

I have, &c.
G. BARCLAY.

Enclosure in No. 52.

Hussein Kuli Khan to Sir G. Barclay.

(Translation.)

Your Excellency,

[Undated.]

I HAVE the honour to inform your Excellency that the "Times" newspaper, in giving an account of a discussion in the British Parliament concerning Persia, states the following:—

"Mr. Dillon asked the Secretary of State for Foreign Affairs whether the lives of foreign subjects are in danger in Northern Persia, or whether they have been in danger at any previous time. Sir E. Grey, in reply, stated that he could not say they were not in danger, and quite lately an attack had been made on the Russian consulate."

The Persian Government feel that this statement, and that the British Secretary of State for Foreign Affairs is under a misapprehension, is to be regretted in the highest degree, as up to the present no attack has been made upon any one of the Russian consulates. Only at Kashan, for the purpose of seeking some rebels, did they in a very quiet and orderly manner, and with the necessary permission, go to the house of a Persian subject whose status as agent was under discussion between the Foreign Ministry and the Russian Legation, and whose status had not as yet been laid down. Seeing that a single European was not in that house, it is obvious that your Excellency will agree that an incident of this nature cannot be construed as danger to Europeans.

As your Excellency does not ignore the steps and endeavours of the Persian Government for public security, the protection of the lives and property of all Europeans, I am certain that you will agree with me that this manner of ignoring the pains taken by the Government for the maintenance of security, their peace and tranquillity, and such statements made by his Excellency the British Foreign Minister, which are inconsistent with his sense of justice, cause pain and a feeling of hopelessness to the Persian Government.

In view of the full information of which your Excellency is in possession concerning affairs in general, I hope you will lose no time in clearing up this error in the necessary quarter.

I avail, &c.
HUSSEIN KULI.

[1706]

No. 53.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 244.)

Sir,

Tehran, December 27, 1910.

I HAVE the honour to transmit herewith the usual monthly summary of events in Persia during the past four weeks.

I have, &c.
G. BARCLAY.

Enclosure in No. 53.

Summary of Events in Persia for Month ending December 27, 1910.

Tehran.

ALL the Bakhtiari khans arrived at Tehran at the beginning of December, and shortly afterwards called on His Majesty's Minister. They all appear to be on friendly terms. It has been decided between them that Sardar Mohtashem (the Ilbeggi) and Sardar Bahadur (Sardar Assad's eldest son) are to proceed to the Bakhtiari country with full powers from the other khans to settle the outstanding questions with the Anglo-Persian Oil Company. They have decided to leave Tehran on the 2nd January.

Sardar Assad continues to play a prominent political rôle at Tehran, though at present out of office. He is openly opposed to Ain-ed-Dowleh, the Minister of the

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R

Interior, and to Farman Farma, the Minister of War, and is using all his influence with the Medjliss to bring about a change of Cabinet. He would like to bring about the appointment of Sipahdar as Premier, but is encountering some difficulty. Hussein Kuli Khan resigned the post of Minister for Foreign Affairs on the 27th instant, and a reconstruction of the Cabinet seems therefore imminent.

The proposed loan from the Imperial Bank of Persia was put before the Medjliss by the Minister of Finance (Sani-ed-Dowleh) on the 6th instant, and though the necessity for the loan was not disputed by the members they insisted upon being consulted as to the programme of expenditure, and also to be assured of proper control. The question has not since been discussed in public.

On the 15th December, the Finance Minister was interpellated regarding the alleged smuggling which goes on in the Persian Gulf ports. It was suggested that the Anglo-Persian Oil Company imported articles other than machinery without paying customs duty. It was further stated that in Arabistan the people were overtaxed, the accusation being presumably against the Sheikh of Mohammerah.

On the 17th December, the Minister for Foreign Affairs was questioned regarding the negotiations for the withdrawal of the Russian troops, and replied that, though he had received the formal promise of their withdrawal, so far his overtures had proved fruitless.

On the 20th instant, the Minister of Posts asked the Medjliss to approve the renewal of M. Molitor's contract as assistant to his Ministry. Various objections were raised, and the matter was eventually referred to committee.

Moez-es-Sultan, a leader of fedais, who took refuge at the Turkish Embassy in the country when the fedais were suppressed last August, and had remained there ever since, was escorted to Tehran on the 21st instant by a deputation of merchants and others, including a number of deputies. He is, therefore, now at liberty again.

M. Pokhitonow, formerly Russian consul-general at Tabreez, has arrived at Tehran to take up the newly-created post of consul-general. He is setting up an establishment apart from the legation, and will have his own staff, Cossack escort, and gholams. Consular work has hitherto been attended to by the Oriental Secretary's Department of the Russian Legation, which was, therefore, very much overworked. The great increase of consular business has rendered this innovation necessary.

M. Baranowski, the Russian Oriental Secretary, left Tehran on the 22nd instant, and was succeeded by M. de Giers, formerly vice-consul at Ardebil.

The press has been even more violent than usual of late in its attacks against Russia and Great Britain.

G. P. CHURCHILL.

Meshed.

1. The state of Khorassan is generally unsatisfactory, the conduct of the local police leaving much to be desired. Mohammed Ali, Nishapuri, still maintains his position at Gunabad, whence he levies contributions on the surrounding districts. He recently murdered the chief of police of Tun, with his wife and two policemen, and hanged their bodies before the gates of the town. Forces from Turbat and Kain have been sent against him. In the absence of a Governor-General, Zahir-es-Sultan has been in a very difficult position, having neither money nor troops with which to support his authority. He has, however, displayed tact and resource, and has shown genuine anxiety to avert disorders. When telegrams of a very provocative nature from Nejef were received at Meshed, urging vigorous protest against the British note of the 14th October, Zahir-es-Sultan prevented the telegrams becoming public property, and persuaded the local assembly to content itself with a telegram of protest to the foreign representatives at Tehran. Reports from Turbat speak of the complete absence of security in the district, and the roads generally are unsafe. Major Sykes telegraphed on the 13th December that disturbances were possible at Meshed, where the deputy-governor was in fear of his life. At Daragez trouble began in the middle of November, when the governor and chief of police were driven out of the town. On the 25th, a new governor with some horsemen was dispatched from Meshed. Meanwhile, the Russian consul-general received several rather alarmist reports from Russian subjects at Daragez. This appears to have caused him to bring in twenty Russian Cossacks to guard the Russian agent. Resenting this, on the 28th November a mob killed a customs official and nine horsemen, and wounded the governor. On the 2nd December, a section of the inhabitants of Daragez went to Bajgiran, where they seized the customs-house and police officials, and robbed travellers, mostly Russian

subjects. Their numbers being increased to 300 they decided to attack Kuchan, but the relief squadron of Russian Cossacks which was on its way to Meshed was sent back to Kuchan, and the town was probably thereby saved from being sacked. The Russian consul-general then proposed to keep fifty Cossacks at Kuchan, and to have 400 Cossacks ready at Gaudan on the frontier, to be called in if necessary. Major Sykes concurred in these proposals. On the 13th December he reported that the new Governor of Daragez was, on arrival there, imprisoned, and his servants killed. 300 robbers were believed to be still near Kuchan. M. Poklewski has since modified M. Gregorieff's proposals to the extent of asking for fifty Cossacks at Kuchan and only 100 at Gaudan.

2. Captain Franklin, I.M.S., left for Europe via Askabad on the 23rd November. Major O'Connor left for Seistan on the 27th.

Birjand.

On the night of the 3rd November ten armed men attacked Mr. Howson's caravan between Aliabad and Bandan. Fortunately, Mr. Howson and his family were some way in the rear of the caravan. On hearing shots, he, with a few Chagai horsemen, pushed forward. On hearing their approach the robbers made off with fifteen camels and their loads. Mr. Howson followed at dawn and recovered twelve camels with their loads, but though he pursued for 30 miles, the robbers got away with three camels.

Seistan.

1. Khalifa Khair Mohammed, who returned from Herat early in November, confirmed the report that from 2,000 to 3,000 Afghans, Afridis, and Waziris were collected near Herat, intending to make an early start for the Mekran coast. A party of 300 was to march down via Kalaifath and the main body via Neh. The Khalifa gave Major McConaghey to understand that these men were in a very determined mood and bitterly resented the losses of last year. About the 15th November a party of twenty Baluchis left Garmsel for the Mekran coast. A party of 130 Afghans, with 350 camels without loads, is reported to have passed through Neh for Mekran on the 12th December.

2. The roads in Seistan are reported unsafe, and there have been several robberies of camels from caravans. It is unsafe for caravans to move without escorts, and escorts of Persian horsemen are difficult to obtain.

3. During October 2,860 cases were treated and sixty-five operations performed in the consulate hospital at Seistan, and 708 cases treated in that at Birjand.

Ispahan.

1. The condition of the town has remained normal. The price of foodstuffs has continued to rise. Much snow has fallen, and the cold and dearth of living are said to have caused widespread distress and much illness. The municipality has arranged to purchase large quantities of wheat from the principal holders of grain, but so far the price of bread has not fallen. During the month a number of Bakhtiariis have complained to the local assembly that they have not been paid by their chiefs for their services at Kashan. The assembly has tried to arrange the matter with the chiefs, who are now at Tehran. The condition of the province is apparently quiet, and the roads are, generally speaking, safe. Posts, carried by men to Abadeh and thence by horse to Ispahan, are coming through from Shiraz, and since the 28th November no robbery has been reported on the Shiraz road. There have been no robberies on any of the roads during December. A meeting to protest against the continued presence of the Russian troops in Persia and the British note of the 14th October was held at Ispahan, but was not a success. It was interrupted by two Seyyids, who protested against the high price of bread. The majority of the 3,000 to 5,000 persons present appear to have supported the Seyyids.

2. The Russian Bank has opened a branch at Ispahan, with a staff of three members, and has leased offices for three years, and will, it is understood, sell piece-goods and sugar and buy cotton.

3. On the 21st November, Dr. Marrable, when bicycling with his wife to Julfa, was met by two horsemen, whom, as the road was narrow, he requested to make way for

him. One of them struck him across the face with the open hand and then made off. Dr. Marrable made the other man dismount, and demanded from him the name of the offender. The latter meanwhile returned, and, loading his rifle, levelled it at Dr. Marrable and addressed him in the foulest language. Both men then made off. The second man, a Persian Cossack, was subsequently apprehended and interrogated. He denied that he knew the name of his companion. His Majesty's consul-general is pressing for the arrest of the offender.

Yezd.

With the exception of the Nain road, which has lately been fairly safe, all the roads have been very disturbed and numerous robberies are reported. Large bands of marauders appear to be about, who plunder caravans and villages. M. Petroff remains at Anar, unable to continue his journey to Yezd. Salar-i-Moayyed, the late governor, left Yezd on the 17th November. He was guilty of the most unscrupulous extortion, and undoubtedly amassed a very large sum by that means. Zeigham-ed-Dowleh, Kashgai, has assumed office as governor. His Majesty's vice-consulate is now free of refugees, but during the past few weeks several persons have been in refuge, the danger from which they sought escape being due directly or indirectly to the late governor.

Kermanshah.

1. Mr. McDouall resumed charge of His Majesty's consulate on return from leave on the 28th November. Mr. Knox left for Shiraz via Bagdad on the 30th.
2. Nizam-es-Saltaneh left for Shiraz via Pusht-i-Kuh on the 28th November. Pending the arrival of the new governor, Rukm-ed-Dowleh, two deputy-governors have been appointed. The leaders of the rival factions in Kermanshah have met and sworn to act together in future. The neighbourhood of Kermanshah has been somewhat disturbed, and several robberies have been reported on the roads. The road between Kasr-i-Shirin and Sar-i-Pul is rendered unsafe by the presence of robbers, said to be Kalhors. In the Kuliali tribe there has been fighting between rival sections. The acting governor has sent an emissary to make peace between them.
3. M. Nikolsky, Russian consul, returned from leave on the 9th December. He was accompanied by twelve Russian Cossacks, the relief for his consular escort.

Hamadan.

Several robberies of caravans are reported quite close to Hamadan. In each of two cases four men were killed by the robbers. The post, with parcels and passengers, was robbed on the 20th November, a servant of His Majesty's consulate at Kermanshah being amongst the robbed.

At the end of November the governor resigned and left, leaving the Government in the hands of the heads of the administration.

Kerman.

The condition of the town has remained normal, but His Majesty's consul describes the condition of the province in November as deplorable.

The road to Yezd is still closed by robbers, of whom 400 under Samsam-i-Nizam were reported, on the 24th December, to be within 4 miles of the Kamalabad road. Though many rumours of the movements of Baluchi forces have been current, no further details of their actual movements have been received. The rumour that the people of Rawar had dispersed owing to the establishment of quarantine proved to be untrue, and reports as to the existence of cholera at that place are conflicting.

Shiraz.

1. The condition of the Bushire-Ispahan road forms the subject of a separate despatch.
2. As a result of appeals from Kerbela, Tehran, and Tabreez to protest against the British note of the 14th October meetings were held at Shiraz, but do not appear to

have met with much support, though telegrams of protest were sent to all the legations at Tehran. This lack of support is not to be attributed to any belief on the part of the people of Shiraz that England has no wish to intervene. Such, indeed, was the belief formerly when it was only thought that England had sacrificed constitutional Persia to despotic Russia for advantages gained elsewhere. The prolonged stay of the Russian troops in Northern Persia and the increasing anti-British bitterness of the Tehran press have, however, convinced many that we are at one with the Russians, who, even at Shiraz, are hated, in aiming at the partition of Persia. The British note of the 14th October and the telegrams from Kerbela have strengthened this conviction. Any interference now on our part in Fars politics would be misinterpreted, and would probably be of disadvantage to the party we might wish to help.

PERSIAN GULF.

Bushire.

1. Zair Khadar, Tangestani, has been endeavouring, so far without success, to get himself appointed Kalentar of Bushire. He is known to be in communication with Soulet-ed-Dowleh, and is stated to be acting at the latter's instigation. Not meeting with success he applied to Soulet-ed-Dowleh for assistance, but was told that he must wait, as more important matters were on hand. The headman of Bushire Island is already a Tangestani, and were an influential Tangestani to become Kalentar of the town, Bushire would be dominated by the Tangestani element and a very inconvenient situation would result.

2. Zaif Khadar recently demanded an allowance from the customs for each customs office established in Tangestan. On refusal of payment he is reported to have ordered the removal of all customs officials from ports in his district. The customs office at Laver has had to be closed owing to an attack made on it by Dashtis, who carried away all the cash receipts. The local authorities were apparently unable to take any notice of the incident.

3. Owing to trouble at Debai, Colonel Cox was obliged to leave for that coast hurriedly, in company with Admiral Slade, on the 26th December. He expected to be absent from Bushire for a week.

Bunder Abbas.

On the 21st November a caravan was plundered on the Kerman road, British goods to the value of 100*l.* being included in the plunder.

C. B. STOKES, Major,
Military Attaché.

[1707]

No. 54.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 245. Confidential.)

Tehran, December 30, 1910.

Sir,

IN my telegram No. 512 of the 28th instant I reported the resignation of the Minister for Foreign Affairs.

It had been very generally expected that Hussein Kuli Khan's resignation would be followed at yesterday's sitting of the Medjliss by an attack on the Cabinet at the instigation of Sardar Assad. The sitting, however, passed off without incident, and the Ministry, shorn, indeed, of its most active member, is still in office. Its fall, however, can hardly be long delayed. The Cabinet's genuine supporters have always been in a minority in the Medjliss, but for a long time Sardar Assad, who several weeks ago declared to me that he was working to establish a new Cabinet, appears to have been unable until now to get the invertebrate and heterogeneous body known as the Moderates to agree as to the composition of the new Cabinet, the unpopularity in certain sections of Sipahdar, whom Sardar Assad desires to see Prime Minister, being, I believe, the chief stumbling-block.

Judging from the language of Sardar Assad to a member of my staff a day or two ago, it would seem that he is now quite confident of success. He said that he had

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been present at many secret sessions of the Medjliss during the last few days to discuss a change of Cabinet, and he had finally announced to a committee of the House that unless the Cabinet were changed he and all his Bakhtiari would withdraw to their country and leave the Government to its fate. It had been decided to bring in a vote of want of confidence in a day or two.

Sardar Assad held out hopes that the new Cabinet would succeed in establishing better relations with the two Powers, and said that he was arranging that the Medjliss should be subservient. If it did not fall in with the new Cabinet's views it would have to be changed.

I have, &c.
G. BARCLAY.

[1708]

No. 55.

Sir G. Barclay to Sir Edward Grey.—(Received January 16, 1911.)

(No. 246.)

Tehran, December 30, 1910.

Sir,

I HAVE the honour to report that no progress had latterly been made towards obtaining the ratification by the Medjliss of the Arabistan Telegraph Agreement, and Assadullah Mirza, the Minister of Posts and Telegraphs, had constantly replied to the private representations of Mr. King Wood, the director of the Indo-European Telegraph Department, that the moment was not an opportune one for presenting to the Parliament an agreement which contained such delicate matter as the prolongation of the existing telegraph concessions.

A short time ago, as repeated in my telegram No. 464 of the 20th November, the Minister of Posts and Telegraphs applied to Mr. King Wood for the loan of one of his staff to place in temporary order the Mohammerah-Ahwaz and Borasjan telegraph lines. The department consented to comply with this request on the express understanding that their doing so should not prejudice in any way the agreement for the transfer of these lines to the department now awaiting ratification.

This assurance has now been given in writing by Assadullah Mirza, and an officer of the department has been dispatched to Arabistan.

In the same document Assadullah Mirza has also expressed his readiness to influence his colleagues of the Cabinet to agree to present the convention to the Medjliss as soon as the last annual account for terminal charges between the department and the Persian Government had been settled in full.

In this account, Mr. King Wood had under instructions from his chief in London debited the Persian Government with the sum of some 1,200*l.*, representing the actual damages sustained by his employés, owing to the prevalent disorder when in the performance of their duties. Assadullah Mirza had demurred at this deduction, and I had supported Mr. King Wood's action in a note to the Persian Government.

In view, however, of his Excellency's recent assurances, I have at the request of Mr. King Wood let the Persian Government understand that if assurances are forthcoming that the claims in question will be paid with the least possible delay the account will be settled in full.

I have, &c.
G. BARCLAY.

[1138]

No. 56.

Sir G. Barclay to Sir Edward Grey.—(Received January 11, 1911.)

(No. 247.)

Tehran, December 31, 1910.

Sir,

WITH reference to my telegram No. 513 of the 29th instant, I have the honour to transmit herewith a translation of the note which the Persian Government have addressed in reply to my note of the 17th ultimo respecting the insecurity on the southern roads.

I shall have the honour to send you by telegraph before this despatch reaches you such comments as I desire to make on the document in question.

I have, &c.
G. BARCLAY.

Enclosure in No. 56.

Vazir Zadeh to Sir G. Barclay.

(Translation.)

Your Excellency,

Tehran, 25 Zilhejjeh, 1328 (December 26, 1910).

IN reply to your answering note of the 17th November, I have the honour to say regarding your idea that the effects of the stay of foreign troops on Persian soil are not revellent, that as your sense of the importance of things will testify, there can be no doubt that the presence of foreign troops in the interior of a country naturally engages the attention of the Government and causes its prestige to suffer, and for this cause the good intentions of the Government for complete good order as desirable are unproductive of result, but as this matter was fully dealt with in my note of the 21st October, I do not think it necessary to repeat myself on this occasion.

Regarding communications between Bushire and Shiraz to which you referred, your Excellency is not unaware that the Persian Government, which has always borne in mind the necessity to uphold commercial relations, has appointed Sowlet-ed-Dowleh to maintain order on the Bushire-Shiraz road. Besides this, the Persian Government have taken preliminary steps for the further maintenance of order, which I now communicate to your Excellency:—

1. A competent governor-general, with necessary instructions, has been appointed and sent to Fars, and will shortly arrive at his post. After his arrival he will take fundamental measures for the completion of entire order in those parts.

2. The responsibility for the protection of security on the Kazeroun road has been entrusted to Sowlet-ed-Dowleh. At present he has placed 380 mounted and unmounted guards on that road, and they are patrolling it, and according to reliable reports the Kazeroun road is in perfect security.

3. A force composed of mounted and unmounted men as well as artillery is being sent; of these 700 men and three guns sent from Tehran have passed Kum, two regiments from Hamadan, and the Jelali regiment will join the force at Ispahan. This force is over and above the garrison at present in Fars.

4. A considerable sum out of the loan which is about to be concluded will be laid aside for the perfection of security, and the Government is engaged in elaborating a system by which the expenditure necessary for this purpose will be properly laid down and its control properly carried out.

5. Besides the appointment to Fars of one of the European military officers serving under the Persian Government, very shortly a number of men will be employed and will arrive from abroad for the prompt organisation of the gendarmerie.

I have no doubt whatever that in view of these measures the project of the Persian Government for the perfection of order will be fully carried out, and that your Excellency's anxieties will be dispelled.

With regard to your Excellency's statement that the increase of the customs in "Takagoui-il" 1909-10 concern the north and not the south, I have the honour to draw your attention to the fact that the cause of the increase in the northern customs is only due to the importation of a large quantity of silver, and has no connection with the general trade of the country.

As to the statement made in your Excellency's note that the receipts of Bushire last year were less than those of (Pichi-il) 1908-9, and that likewise the receipts of (Pichil-il) 1908-9 were much less than the year previous to that, I have the honour to inform you that although the customs receipts of Pichi-il were less, on the other hand, however, the customs receipts of the other southern ports were doubled. Therefore, the whole trade of the southern ports should be taken into consideration in their entirety in order that a proper idea should be formed of the trade of the south. Under these circumstances, it is perfectly clear that, even if compared to the customs receipts of the last three years, those receipts of the five months mentioned in my note show a palpable improvement.

With respect, however, to the increase in the first five months of the present year, regarding which you stated that the harvest of the present year was an exceptionally abundant one, I have the honour to say that the abundance of the harvest can only affect the receipts accruing from exports and not from imports.

Regarding your statement that the receipts of the Bushire customs have increased by 12 per cent., I do not think it superfluous to remind you that although an increase of 12 per cent. is a considerable one and worthy of being taken into account, and that

such an increase in the commercial statistics of other countries is a proof of a progress in trade, the increase in the customs receipts of Bushire are much in excess of 12 per cent., since the increase of "it-il" over "takagoui-il" was 20,943 tomans, which makes a difference of 20 per cent. If we only take the customs receipts on imports into consideration the increase of "it-il" over "takagoui-il" is 25,412 tomans, which gives an increase of 25 per cent. I have no doubt that in view of these facts your Excellency will agree that the general trade of the south has not suffered and has even increased and progressed during the last (few) years.

Regarding the surtax of 10 per cent. on the southern customs, the Persian Government is grateful for the friendly assistance of the British Government, and, in view of the supreme importance attached by the Persian Government to the perfection of order and the consolidation of commercial relations, they will institute a scheme by which the revenue derived from this source will be effectively applied to the expenditure in view. Under these circumstances, I have no doubt that the scheme which the Persian Government has in view for the effective expenditure of this money will be considered sufficient for the fulfilment of this condition.

But in reply to the last paragraph of your Excellency's note, I have the honour to refer your Excellency to my note of the 21st October.

VAZIR ZADEH.

[1223]

No. 57.

Treasury to Foreign Office.—(Received January 11.)

Sir,

Treasury Chambers, January 10, 1911.

WITH reference to your letter of the 2nd November last relative to the post of intelligence officer at Meshed, I am directed by the Lords Commissioners of His Majesty's Treasury to transmit herewith, to be laid before the Secretary of State for Foreign Affairs, copy of a letter dated the 4th instant addressed to this Department by the War Office, and I am to enquire whether the post in question is regarded by the Secretary of State as of sufficient diplomatic, apart from military, value to justify a continued charge in respect of it on Foreign Office votes on other than military grounds.

I am to add that if any Imperial contribution is made in excess of half the officer's pay, my Lords are disposed to think that, considering the nature of the expenditure and the absence of any control over it here, it should be subject to a maximum limit.

I am, &c.

G. H. MURRAY.

[1225]

No. 58.

Imperial Bank of Persia to Foreign Office.—(Received January 11.)

Sir,

25, Abchurch Lane, London, January 10, 1911.

I HAVE the honour to inform you that twice recently the bank in Tehran has been subjected to the annoyance of Persian subjects claiming that the special provisions of article 10 of our concession (relating to arbitration) should apply in instances where the ordinary Persian Foreign Office Court provides adequate scope for deciding such cases.

We understand from a telegram received from Tehran yesterday that the British vice-consul there declines to take any steps in these cases pending the decision of the Secretary of State for Foreign Affairs upon the scope of article 10 of the bank's concession. We also understand that the two questions have been submitted to the Foreign Office by His Majesty's Legation.

In view of the fact of Persian subjects claiming the privileges that were always held by us to have been framed for the exclusive protection of the bank, and upon which a difference of opinion exists in Tehran, we referred the article in question to our lawyers for their opinion.

I have the honour to enclose, for your information, extract of a letter bearing upon the subject from our chief manager in Tehran, dated the 23rd November last; extract from Messrs. Coward and Hawksley's letter of the 1st December regarding the

embezzlement case in Shiraz; also extract from a further letter from the latter, dated the 16th December, in reference to article 10 generally and our claim upon the Muin-ut-Tujjar, Tehran, which covers the two cases referred to above. I further send you copy of a telegram received yesterday from our chief manager in Tehran asking us to explain the situation to you.

We shall have much pleasure in supplying any further details in our possession should you desire them, and we shall be glad to hear at your convenience the views of the Secretary of State on the subject.

I have, &c.

G. NEWELL, *Manager.*

P.S.—For facility of reference we beg to enclose copy of article 10 of the bank's concession, modified by article 8 of Appendix 4 of the same document.*

G. N.

Enclosure 1 in No. 58.

Extract of Letter from the Chief Manager, Tehran, dated November 23, 1910.

I WIRED you on the 17th instant to submit for counsel's opinion article 10 of the bank's concession. I understand that the legation have written to the Foreign Office with the same object in view. Both the legation and ourselves are being harassed for arbitration in cases which have nothing to do with this mode of procedure, and the present enquiry arises out of a case which has already been given against the plaintiff (originally defendant) by the Persian Government itself, to wit, Johannes's embezzlement of 2,000 tomans in Shiraz.

The Muin-ut-Tujjar case has been pigeon-holed on the same frivolous pretext, and if we submit to either—bearing in mind the de France award in the Ismail Yezdi case—we might as well abandon all claims we have on Persian subjects; indeed, I might even say it would be advisable to withdraw from the country altogether.

Enclosure 2 in No. 58.

Extract of Letter from Messrs. Coward and Hawksley, Sons, and Chance, dated December 1, 1910.

WITH regard to Johannes, we understand that he had embezzled the bank's funds, that a criminal charge was brought against him, that he was tried by the "governor's court," which we should assume was a native court, and that, Johannes then having made restitution, the bank did not press for further punishment, and we assume that Johannes was thereupon released. We fail to see what possible interest the bank can have in any further proceedings that may be taken by Johannes, or what question there is between you that can be suggested as a subject for arbitration.

Enclosure 3 in No. 58.

Extract of Letter from Messrs. Coward and Hawksley, Sons, and Chance, dated December 16, 1910.

WE should assume that anyone subject to the jurisdiction of the Persian courts would be entitled to institute proceedings in those courts against any other person similarly subject to their jurisdiction, and that thus the bank would be entitled, if they thought fit, to sue the Muin-ut-Tujjar. We see no answer that he could have to such a suit on the grounds of want of jurisdiction against him. The provision in the concession granted to the bank was not inserted for the benefit of anybody but the bank, and no one else would have a right to take advantage of it. The bank, on the other hand, if they were sued would have a right to say that by the concession the Crown had granted them the right to have any disputes that arose determined in the mode that the concession prescribed.

* Already printed.

[1768]

T

If the bank have a claim against the Muin-ut-Tujjar and he refuses to pay, he must be made to pay either through the ordinary tribunals or by arbitration. If the bank, therefore, for their own purposes do not desire to proceed by arbitration, we see no other alternative but to proceed through the ordinary tribunals whatever they may be.

Enclosure 4 in No. 58.

Copy of Telegram received from the Chief Manager, Tehran, dated January 7, 1911.

OUR confidential letter of the 23rd November.
Your confidential letter of the 21st December.
British consul states can take no steps pending decision Foreign Office. Please explain situation Foreign Office.

[1242]

No. 59.

Sir G. Barclay to Sir Edward Grey.—(Received January 11.)

(No. 10. Very Confidential.)
(Telegraphic.) P.

Tehran, January 11, 1911.

RUSSIAN troops at Kazvin.

Please refer to Sir G. Buchanan's telegram No. 2, dated the 1st January, and to your telegram to St. Petersburg No. 6, dated the 7th January.

M. Poklewski appears to be favourably impressed by new Minister for Foreign Affairs, and I believe that, if Russian Government, on learning of signature of the Russian conversion, which appears to be imminent, were to consult with Russian Minister as to the immediate recall of the troops stationed at Kazvin, latter would be disposed to concur unless anything unforeseen occurred.

M. Poklewski has throughout insisted so firmly on satisfaction being granted in the questions of the motors and the mines, as a condition precedent of the withdrawal of the Kazvin force, that it will be difficult for him himself to propose to give way on these points.

[1252]

No. 60.

Sir G. Barclay to Sir Edward Grey.—(Received January 11.)

(No. 11.)
(Telegraphic.) P.

Tehran, January 11, 1911.

OIL company's proposed borings at Ahwaz.

Please refer to my telegram No. 9 of the 9th January.

Following sent to His Majesty's acting consul, Mohammerah:—

"Mr. Greenway, managing director of the oil company, should arrive to-morrow at Mohammerah.

"No decision has yet been arrived at with regard to the proposed boring operations on sheikh's territory, and question is still being considered in London.

"Proposal has been put forward by the company to give to sheikh a share in the profits if he demands it, and to deduct an equivalent amount from share appertaining to Persian Government.

"I have pointed out, in reply to an enquiry from Foreign Office, the objections to this course, and you should prevent Mr. Greenway from committing himself with sheikh pending the receipt of further instructions from me."

[1253]

No. 61.

Sir G. Barclay to Sir Edward Grey.—(Received January 11.)

(No. 12.)

(Telegraphic.) R.

Tehran, January 11, 1911.

MY telegram No. 4 of the 3rd January.

Governor-General of Fars arrived at Bushire yesterday.

[584]

No. 62.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, January 11, 1911.

WITH reference to the letter from this Office of the 21st ultimo relative to the question of the removal of Lieutenant Rankin from his present post of His Majesty's consul at Ahwaz, I am directed by Secretary Sir Edward Grey to inform you that he has received a letter from the India Office, intimating the willingness of the Government of India to sanction his retention there till after February next, in accordance with the wish expressed by your Board.

I am, &c.

LOUIS MALLET.

[1363]

No. 63.

Sir G. Barclay to Sir Edward Grey.—(Received January 12.)

(No. 13.)

(Telegraphic.) P.

Tehran, January 12, 1911.

HORMUZ oxide.

In reply to your telegram No. 11 of the 10th January, I have the honour to state that I shall not fail to press the Persian Government most strongly for proof immediately the public offices reopen after the Muharrem celebrations.

I would invite reference to antepenultimate and two preceding paragraphs of Mallet's letter to Messrs. Ellinger of the 15th December, 1910. There appears to me no reason to depart from attitude outlined therein.

In the face of our caveats I do not see how shipments of oxide can prejudice case in favour of Persian Government, and sooner or later it is inevitable that Weir's market should be spoiled unless His Majesty's Government insist on the revocation of Strick's contract—a course which I presume you would not see your way to adopt even supposing that the Persian Government were unable to substantiate their case. Merely to put a temporary stoppage to Strick's shipments would presumably be of only slight benefit to Weir; on the other hand, it would furnish Strick with grounds for a claim against the Persian Government, and if we had pressed for the stoppage we could obviously not support Strick in the matter, although the claim would apparently be a just one.

I venture to submit, moreover, that compliance with Ellinger's demands might appear at this juncture in some measure tantamount to an admission that we ought to have stopped conclusion of Strick's contract with Persian Government.

[1343]

No. 64.

Sir G. Buchanan to Sir Edward Grey.—(Received January 12.)

(No. 12.)

(Telegraphic.) P.

St. Petersburg, January 12, 1911.

PERSIAN Transport Company's road concession.

Note received from Russian Minister for Foreign Affairs states that Russian Government have no objection to His Majesty's Government negotiating with Persian Government for ten-year extension on understanding that concession relates only to carriage roads, and contains nothing which might enable company to claim right to construct railways.

(Sent to Tehran.)

[293]

No. 65.

Sir Edward Grey to Sir G. Barclay.

(No. 3.)

Sir,

Foreign Office, January 12, 1911.

I TRANSMIT to you herewith copies of correspondence with the French Ambassador relative to the claim of Messrs. Schneider, the well-known manufacturers of guns, &c., against the Persian Government on account of arms furnished to them in the year 1905.*

It will be observed that M. Cambon's note of the 22nd ultimo, while not making entirely clear the position of the firm towards the Persian Government in respect of their claim as compared with the claims of other foreign subjects, appears to imply that it is entitled to more favourable treatment than the latter.

It is further mentioned in this note that the special situation of Messrs. Schneider in connection with their claim is known to the Imperial Bank of Persia, and in view of this statement I caused the circumstances of the case to be explained privately to the chairman of the board of directors of the bank, with a view to obtain the desired information.

Sir T. Jackson replied in three private letters, the first of which threw no light on the subject. I enclose copies of the two others,† from which it appears that the transaction in question was carried through in a manner discreditable alike to Messrs. Schneider and to the Persian officials concerned.

I should be glad to receive your opinion as to whether the claim is entitled to special treatment as M. Cambon appears to imply, and, if not, whether it nevertheless merits inclusion in any list of claims which may be presented to the Persian Government in connection with a larger loan, if any such transaction is completed in the future.

I am, &c.

E. GREY.

[335]

No. 66.

Sir Edward Grey to Sir G. Barclay.

(No. 4.)

Sir,

Foreign Office, January 12, 1911.

I HAVE received your despatch No. 233 of the 22nd ultimo, forwarding copies of despatches from His Majesty's consul-general at Bushire and the British acting consul at Mohammerah on the subject of the Karun irrigation.

With regard to Lieutenant-Colonel Cox's suggestion, supported by you, that Sir W. Willcocks should again be consulted as to the dependence of the date groves of the Shat-el-Arab on the silt from the Karun, it appears to me that, in view of the fact that he definitely stated to Lieutenant Wilson last year that he had modified the opinion which he expressed in 1909 on this point, and of the numerous other considerations now put forward which show that the scheme is impracticable in any case, is hardly necessary to refer the question to him again.

With reference to the final paragraph of your despatch relative to the probable receipt of a further communication from the Netherland Government on this subject, I have to state that so far no such communication has reached me. In the event, however, of the Netherland Government reopening the question, I propose to explain to them frankly what are, in the opinion of experts, the objections to the scheme, and to inform them that His Majesty's Government cannot bring pressure to bear on the sheikh to undertake a work from which, as it appears, he can hope to derive no pecuniary advantage.

I am, &c.

E. GREY.

* M. Cambon, November 14; to M. Cambon, November 21; M. Cambon, December 22, 1910.

† Sir T. Jackson, January 2; ditto, January 7, 1911.

[1421]

No. 67.

*[Anglo-Persian Oil Company to Foreign Office.—(Received January 13.)**Winchester House, Old Broad Street, E.C.,**January 12, 1911.*

Sir,

I HAVE the honour to acknowledge receipt of your letter of the 11th January, intimating that the Government of India is willing to sanction the retention of Consul Ranking at Ahwaz till after February next. This is most satisfactory from my company's point of view, and I have to tender to you our very best thanks for your good offices in the matter.

I have, &c.

C. W. WALLACE, *Vice-Chairman.*

[43072/10]

No. 68.

Sir Edward Grey to Mr. Marling.

(No. 13.)

Sir,

Foreign Office, January 13, 1911.

I HAVE received your despatch No. 853 of the 23rd November last, transmitting the explanation furnished by His Majesty's consul at Bussorah of his attitude and action in connection with the difference which arose last April between the Sheikh of Mohammerah and the Vali of Bussorah.

As regards Mr. Crow's general attitude in the dispute, much may be said in justification of his plea that he was ignorant of the obligations of His Majesty's Government towards the sheikh, and that his action was prompted solely by his anxiety to protect British interests at Bussorah, which it is in fact his first duty to safeguard. On the other hand, although Mr. Crow states that the sheikh's responsibility for disturbances on the river and in the vilayet of Bussorah during the last eight years is notorious, he admits that no disturbances of importance had occurred on the river during the preceding winter, and that the sheikh had promoted a reconciliation between a riverain chief and the vali. Moreover, Mr. Crow has been at Bussorah since 1903, and, even if he was unaware of the assurances of His Majesty's Government to the sheikh, he must have realised the general nature of the relations between that chief and His Majesty's Government.

Mr. Crow is, of course, perfectly right to report any misbehaviour on the part of the sheikh, and he should continue to do so. His Majesty's Government desire to be accurately informed on this subject, and it would be useful to receive periodical reports as to the sheikh's conduct.

In view, however, of the considerations which he has advanced in defence of his general attitude in the question, Mr. Crow may be informed that his explanation is accepted.

The second point concerns Mr. Crow's failure to warn His Majesty's Embassy of the vali's intention to attack Zein. I consider that, in view of the threats uttered by the vali in his conversation with Mr. Crow on the 22nd April, the latter should at once have telegraphed the substance of that interview to His Majesty's Embassy. It may be true, as Mr. Crow says, that the vali's statement appeared to him to have the character of a warning only; but if this was the case he could have made this clear. He was under no necessity to report it as a positive fact. It is at least highly probable that, if Mr. Crow had informed His Majesty's Embassy immediately, the attack on Zein and the complications to which it gave rise might have been prevented.

I fully recognise Mr. Crow's reputation as a capable and conscientious officer, and I am aware that the difficulty of his position is enhanced by the chauvinistic character of the Turkish officials with whom he has to deal.

You should convey to Mr. Crow the observations contained in this despatch.

I am, &c.

E. GREY.

[1768]

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[1138]

No. 69.

Foreign Office to India Office.

Sir,

Foreign Office, January 13, 1911.

WITH reference to the letter from this Office of the 9th instant relative to the question of the restoration of order on the roads of Southern Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Minister at Tehran,* forwarding a translation of the note which the Persian Government have addressed to him in reply to his communication of the 17th November on this subject.

I am to state that there appears to Sir E. Grey to be nothing in this note which necessitates a modification of the opinion formed by him, in the light of the telegraphic summary, that the draft suggested by Sir G. Barclay constitutes an adequate reply to it.

Sir E. Grey would accordingly propose, subject to the concurrence of the Earl of Crewe, and to any suggestions which his Lordship may wish to offer, to address to Sir G. Barclay a telegram informing him that his draft is approved, and authorising him to reply to the Persian Government forthwith in accordance with its terms.

I am, &c.

LOUIS MALLET.

[511]

No. 70.

Foreign Office to Messrs. P. Ziegler and Co., Messrs. H. C. Dixon and Co., and Messrs. Hadji Ali Akbar and Sons.

Foreign Office, January 13, 1911.

Gentlemen,

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 4th instant relative to the state of affairs in Southern Persia.

With reference to the statement that the road from Shiraz to Ispahan is now open to traffic and safe for caravans, I am to inform you that, according to the more recent reports received from His Majesty's Minister at Tehran, the Bushire-Ispahan road has been free from robberies since the 5th ultimo, but it is not clear whether the Shiraz-Ispahan section of it is open for traffic or not.

Sir G. Barclay reported on the 30th ultimo that caravans were passing along the Bushire-Shiraz section of the road.

With reference to your observations on the subject of Soulet-ed-Dowleh, I am to state that it is hoped that it will shortly be possible to maintain order on the road without the co-operation of that chieftain.

As regards the number of troops dispatched by the Persian Government to Shiraz, it appears from a telegram dispatched by Sir G. Barclay on the 2nd instant that an army corps had passed Kashan on its way to that town. According to an earlier message, this body was to consist of 700 men and 3 guns, and was to be joined at Ispahan by three regiments from elsewhere, but Sir G. Barclay was unable to obtain precise information as to these latter troops, though the Persian Acting Minister for Foreign Affairs informed him that 2,000 militia were about to leave Ispahan for the Shiraz district.

I am, however, to state that Sir E. Grey is not in a position to guarantee the complete accuracy of the above information or to take any responsibility in the matter.

As regards the general question of the measures which the Persian Government are taking, or have expressed the intention to take, in consequence of the representations of His Majesty's Government, I am to state that they are at present the object of careful consideration, with a view to determine whether they are calculated to meet the case, but that this point cannot be decided till they are all in full operation. In the meanwhile, Sir G. Barclay's reports appear to show that an effort is being made to carry them out.

I am, &c.

LOUIS MALLET.

[602]

No. 71.

Foreign Office to Indo-European Telegraph Company.

Sir,

Foreign Office, January 13, 1911.

WITH reference to the letter from this Office of the 12th ultimo relative to the desire of your company to be supplied with copies of maps of certain parts of Persia, belonging to a set believed to have been prepared for official use, I am directed by Secretary Sir Edward Grey to inform you that he has received a letter from the India Office, stating that the sheets referred to appear to be among those of the "India and Adjacent Countries" series, now under issue by the survey of India.

Both the series in question, viz.: (1) Of sheets on the $\frac{1}{1000000}$ scale, which are on sale to the public; and (2) of the "degree" sheets which, as regards territory beyond the Indian frontier, are for official use only, are as yet very incomplete. The only sections at present available in respect of the area described in your letter of the 6th ultimo are: "Millionth" sheets, Nos. 10, 17, and 18, and "degree" sheet No. 9 M. I am to transmit to you herewith copies of these, subject, as regards the "degree" sheet, to the undertaking assumed in the last sentence of your communication referred to.

I am, &c.

LOUIS MALLET.

[1511]

No. 72.

Lord Kilmarnock to Sir Edward Grey.—(Received January 14.)

(No. 3.)

Stockholm, January 7, 1911.

Sir,

WITH reference to my telegram No. 2 of to-day's date, I have the honour to report that, in consequence of private telegrams received from Sir G. Barclay, action on your telegram No. 3 was delayed till to-day. Sir C. Spring-Rice having left this morning for the north of Sweden, I accordingly informed the Swedish Minister for Foreign Affairs, unofficially, that the Swedish consul-general at Tehran had written recommending Mr. Cooper, of the Indo-European Company, as his successor, and that His Majesty's Government supported the recommendation.

His Excellency said that he had not yet received the consul-general's resignation, but that he was grateful for the information supplied by His Majesty's Government as to Mr. Cooper, and would bear it in mind.

Count Taube went on to say that he was glad of the opportunity of speaking to me about the preliminary enquiry made by the Persian Government as to whether the Swedish Government would be prepared in principle to lend Swedish officers to reorganise the Persian gendarmerie. The enquiry had been made by the Persian Minister in Paris through his Swedish colleague, and, as a telegraphic answer had been asked for, Count Taube had not been able to communicate with His Majesty's Legation before sending a reply, which, however, had been quite non-committal, and to the effect that the Swedish Government must have further information as to the conditions before they could decide.

His Excellency said, very cordially, that he recognised the importance of our interests in Persia, and that if His Majesty's Government had any objections to make he would be glad to consider them. He had instructed the Swedish Minister in London to speak to you in this sense.

I confined myself to thanking his Excellency for his friendly communication, but I did not make use of the authorisation contained in your telegram No. 4 to say that His Majesty's Government must leave the matter for the Swedish Government to decide, as I thought you, Sir, might prefer to discuss the subject more fully with Count Wrangel when he makes his communication.

Count Taube mentioned that when reports of the matter had appeared in the press, many young Swedish officers had made enquiries as to the chances of obtaining employment. He remarked that some Swedish officers had formerly been employed on the reorganisation of the Turkish gendarmerie in Macedonia—he believed with satisfactory results to both parties.

I have, &c.

KILMARNOCK.

[1518]

Sir F. Bertie to Sir Edward Grey.—(Received January 14.)

(No. 21. Confidential.)

Paris, January 13, 1911.

Sir,
THE Persian Minister informed me to-day that the ex-Shah, who had been conferring with the Zil-es-Sultan at Nice, arrived in Paris on the 31st December and left on the 2nd instant with the intention of returning to Meran after visiting Brussels, Berlin, and Vienna. He says that from conversations with His Majesty he found him to be a person of very limited intelligence, believing without any justification that there will soon be an opening for him to return to Persia. His Majesty has, the Minister has good reason to know, been in correspondence with certain of his partisans in Persia, who encourage him to think that were he to appear in Persia he would find many supporters, and he would not be surprised if His Majesty were consequently to attempt to return to his native country.

I have, &c.

FRANCIS BERTIE.

[1452]

India Office to Foreign Office.—(Received January 14.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Earl of Crewe, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 13th January, regarding the relief of the Shiraz guard.

India Office, January 13, 1911.

Enclosure in No. 74.

*Government of India to the Earl of Crewe.**January 13, 1911.*

(Telegraphic.) P.

PLEASE refer to your telegram dated the 23rd ultimo.

Maxim-gun crew, with spare trained men, were included in reliefs for Shiraz.

[1617]

*India Office to Foreign Office.—(Received January 14.)**India Office, January 14, 1911.*

Sir,
I AM directed by the Secretary of State for India to acknowledge the receipt of your letters of the 9th and 13th instant, enclosing draft of the reply which His Majesty's Minister proposes to give to the Persian Government's note regarding the restoration of order on the southern roads.

The Earl of Crewe thinks it very important that a fair chance should be given to the Persian Government to restore order in their own way, and though he is not sanguine as to the result, he concurs generally in the views expressed by the Secretary of State for Foreign Affairs. But it is for consideration whether the last paragraph of Sir G. Barclay's proposed note should not be elaborated a little, so as to make its reasonableness apparent to the Persian Government. It might, for example, be pointed out that the proposed surcharge is virtually a tax on British trade, and that His Majesty's Government consider it, in the circumstances, justifiable as a temporary expedient if British officers are responsible to the Persian Government for the organisation to be financed by it; but that public opinion in this country would not tolerate it as a mere means of enabling the Persian Government to attempt to perform a duty which ought to be a first charge upon its ordinary revenue, and that, too, without any guarantee that the attempt will be successful.

I am, &c.

R. RITCHIE.

[1630]

Sir G. Barclay to Sir Edward Grey.—(Received January 14.)

(No. 14.)

(Telegraphic.) R.

Tehran, January 14, 1911.

MY telegram No. 10 of 11th January.

Russian conversion arrangement has been signed.

[1647]

Mr. Marling to Sir Edward Grey.—(Received January 16.)

(No. 17.)

Sir,

Constantinople, January 6, 1911.

HIS Majesty's consul at Erzeroum reports that the Persian Nationalist deputy Takezade, who has been visiting frontier districts between Bayazid and Van, has arrived at Erzeroum on his way to Constantinople and Salonica. The object of his journey is, Mr. McGregor informs me, to discuss the question of Turco-Persian relations with the members of the Committee of Union and Progress in these latter cities.

I may mention in this connection that, according to the Persian chargé d'affaires, the statement that Nasr-ul-Mulk, the Regent elect of Persia, would visit Constantinople on his way to Tehran is incorrect.

I have, &c.

CHARLES M. MARLING.

[1660]

Mr. Marling to Sir Edward Grey.—(Received January 16.)

(No. 31.)

Sir,

Constantinople, January 11, 1911.

I HAVE the honour to forward herewith a despatch from His Majesty's vice-consul at Mosul respecting the military situation on the Persian frontier.

I have, &c.

CHARLES M. MARLING.

Enclosure in No. 78.

Vice-Consul Greig to Sir G. Lowther.

(No. 44.)

Sir,

Mosul, December 21, 1910.

ON the 19th instant I had the honour to report by telegraph to your Excellency that 750 infantry recently left Kerkuk for Passova. I do not yet know to what regiment these troops belong.

Very contradictory rumours are current here regarding the situation on the frontier, and the local officials, most of whom probably know very little for certain, are either reticent or inclined to indulge in obvious exaggerations of the probable extent of the Turkish military preparations.

Energetic telegraphic communication in cypher has been proceeding between the vali and the authorities at Kerkuk and Suleimania. I have no reliable information that more troops have yet left Kerkuk or Suleimania for the frontier posts.

Whether correctly or not, it appears to be believed by military officers here that the garrisoning of the frontier from Passova southwards will devolve upon the 6th Army Corps, that twenty battalions will be necessary for this purpose, and that Kerkuk will provide the majority of them.

There have been numerous rumours too about encounters on the frontier between Ottoman troops and Persian irregulars. Such rumours are hard to test at this time of year, when travellers are scarce. One of them possibly deserves more credence than the rest because it is not denied outright by the vali. It is to the effect that an incident—apparently of no great importance—has occurred between Turkish troops and Persian Kurds in the neighbourhood of Passova.

[1768]

Owing presumably to the military situation, a battalion, which was to have come from Kerkuk to form part of the permanent garrison of Mosul, has been detained at Kerkuk, and the threatened campaign against the Shammar Arabs, on which I reported in paragraph I (g) of my despatch No. 36 of the 31st October last, appears to have been abandoned.

I have, &c.
C. A. GREIG.

[1734]

No. 79.

Sir G. Buchanan to Sir Edward Grey.—(Received January 16.)

(No. 17.)
Sir,

St. Petersburg, January 12, 1911.

WITH reference to my telegram No. 12 of to-day's date, I have the honour to forward to you herewith translation of a note which I have received from the Imperial Minister for Foreign Affairs on the subject of the desired prolongation of the Persian Transport Company's concession to construct certain roads in Persia.

I have, &c.
GEORGE W. BUCHANAN.

Enclosure in No. 79.

M. Sazonow to Sir G. Buchanan.

(Translation.)

*St. Petersburg, December 29, 1910
(January 11, 1911).*

M. l'Ambassadeur,
IN answer to Mr. O'Beirne's note of the 28th October (10th November) last, I have the honour to inform your Excellency that the Imperial Government has no objection to the British Government entering into negotiations with the Persian Government in regard to the prolongation until 24th August, 1922, of the period within which the Persian Transport Company may construct the roads specified in the concession granted to them. At the same time, however, the Imperial Government presume that the concession does not contain any stipulations which might confer on the company the right to open up railways, but affects only carriage roads.

Receive, &c.
SAZONOW.

[1834]

No. 80.

Treasury to Foreign Office.—(Received January 16.)

Sir,

Treasury Chambers, January 14, 1911.

IN the circumstances represented by Secretary Sir E. Grey in Mr. Mallet's letter of the 10th instant, the Lords Commissioners of His Majesty's Treasury sanction the continuance of the appointment of a military attaché at Meshed on existing terms until the 31st March next.

I am, &c.
T. L. HEATH.

[1845]

No. 81.

Sir G. Barclay to Sir Edward Grey.—(Received January 16.)

(No. 15.)
(Telegraphic.) P.

Tehran, January 16, 1911.

RUSSIAN troops at Kazvin.

With reference to my telegrams Nos. 10 and 14 of the 11th and 14th January respectively, I have the honour to report that I have observed a marked *détente* between M. Poklewski and the Persian Cabinet as at present constituted, and the moment appears to me specially opportune for Russian Government to consult Russian Minister with regard to the recall of the troops stationed at Kazvin.

[1343]

No. 82.

Sir Edward Grey to Sir G. Barclay.

(No. 12.)

(Telegraphic.) P.

Foreign Office, January 16, 1911.

PERSIAN Transport Company's road concession.

Sir G. Buchanan's telegram No. 12 of the 12th January.

Company will now be advised to apply for ten years' extension if you think moment opportune.

[1857]

No. 83.

Sir Edward Grey to Sir G. Buchanan.

(No. 12.)

(Telegraphic.) P.

Foreign Office, January 16, 1911.

FOREIGN advisers.

Information of a confidential nature has reached us that French Ambassador at Berlin has been informed by Herr Kiderlen Wächter that the German Government will place no obstacle in the way of the Persian Government's request for the loan of French officials as advisers for Ministries of Justice and of Interior. Herr Kiderlen added that German Government would in all probability shortly be approached in same sense, and asked to supply adviser for some other department.

I think we must insist that if Persian Government get advisers from other Great Powers, as the result of applications which it would be difficult to prohibit, they must also take some from Russia and England.

Minister of Foreign Affairs should be informed very confidentially, and asked what steps he proposes to take.

[1630]

No. 84.

Sir Edward Grey to Sir G. Buchanan.

(No. 13.)

(Telegraphic.) P.

Foreign Office, January 16, 1911.

RUSSIAN conversion scheme.

Tehran telegram No. 14 of the 14th January.

Please congratulate M. Sazonoff on conclusion of conversion scheme, and express to him my satisfaction. You might also hint to him that evacuation of Kazvin would be opportune at this juncture.

[1234]

No. 85.

Sir Edward Grey to Sir G. Barclay.

(No. 6.)

Sir,

Foreign Office, January 16, 1911.

WITH reference to my despatch No. 2 of the 5th instant relative to a conversation with Sir Edgar Speyer on the question of a loan to the Persian Government, I have to inform you that on the 7th instant Mr. Mallet informed Sir Thomas Jackson, of the Imperial Bank of Persia, of what had passed on that occasion.

Sir T. Jackson thanked Mr. Mallet for the information, and said that if Sir E. Speyer approached the bank they would refuse their co-operation, as they were quite able to do the business themselves.

I am, &c.
E. GREY.

[1343]

No. 86.

Sir Edward Grey to Sir G. Buchanan.

(No. 11.)

(Telegraphic.) R.

Foreign Office, January 16, 1911.

YOUR telegram No. 12 of 12th January: Persian Transport Company's road concession.

You should thank Russian Minister for Foreign Affairs, and say that the concession does not allow the construction of railways.

[1988]

No. 87.

Note communicated by Count Benckendorff, January 17, 1911.

LE Ministre de Suède à Saint-Petersbourg a prévenu M. Sazonow que son Gouvernement avait reçu du Gouvernement persan une demande d'envoyer en Perse des officiers pour la réorganisation de la gendarmerie persane; le Ministre s'est en même temps informé du point de vue du Gouvernement Impérial à ce sujet.

D'autre part, il résulte des rapports antérieurs du Ministre de Russie à Téhéran que le Gouvernement persan se proposait, en effet, d'adresser une pareille demande au Gouvernement suédois, mais que cette mesure semblait avoir en vue exclusivement la gendarmerie de Fars.

Le Gouvernement britannique étant le plus intéressé en cette province, le Gouvernement Impérial, avant toute décision à ce sujet, serait désireux de connaître la manière de voir en cette question de Sir Edward Grey.

Si pour la réorganisation de cette gendarmerie la surtaxe de 10 pour cent des droits d'entrée dans le Golfe Persique se trouvait être indispensable, surtaxe à laquelle le Gouvernement Impérial avait donné en principe son consentement en 1909, la condition, d'après laquelle le contrôle de l'emploi de ces fonds et la direction de la gendarmerie resteraient aux mains de l'Angleterre et de la Russie, devrait, dans l'opinion du Gouvernement Impérial, être maintenue.

[1957]

No. 88.

Sir G. Barclay to Sir Edward Grey.—(Received January 17.)

(No. 16.)

(Telegraphic.) P.

Tehran, January 17, 1911.

PERSIAN Transport Company.

With reference to your telegram No. 12 of the 16th January, it cannot be stated that the moment is particularly favourable for making application, but as there does not appear to be any certainty of a better opportunity arising, I see no reason for postponing it till a later date.

[1959]

No. 89.

Sir G. Barclay to Sir Edward Grey.—(Received January 17.)

(No. 17.)

(Telegraphic.) P.

Tehran, January 17, 1911.

FOREIGN advisers for Persian Government.

With reference to your telegram No. 12 of the 16th January to Sir G. Buchanan, I have the honour to report that French chargé d'affaires informs me that his Government had decided on his insistent advice not to entertain the application for the loan of the two advisers to the Persian Government.

[1967]

No. 90.

Sir G. Buchanan to Sir Edward Grey.—(Received January 17.)

(No. 16.)

(Telegraphic.) P.

St. Petersburg, January 17, 1911.

FOREIGN advisers for Persian Government.

Your telegram No. 12 of the 16th January.

(Very Confidential.)

I saw M. Sazonow to-day, and his Excellency told me that about a week ago the French Ambassador had spoken to him about the proposed employment of French and German advisers by the Persian Government. He had told M. Louis that he feared that if France consented to lend advisers we should soon see a German colonel appearing on the scene. Instructions had been sent to the French Ambassador in Berlin to speak to the German Minister of Foreign Affairs on the subject, and M. Kiderlen Wächter had said that Germany reserved her full liberty of action in the event of Persia asking her to supply advisers.

In M. Sazonow's opinion, it would be difficult for Germany to lend advisers now that France and Italy have declined to do so. He thinks that if Persia applies to Germany we might represent that advisers are not being supplied by any of the Great Powers. In the event, however, of Germany consenting to supply an adviser, we must insist on the employment also of advisers of Russian, French, Italian, and British nationality.

[1968]

No. 91.

Sir G. Buchanan to Sir Edward Grey.—(Received January 17.)

(No. 17.)

(Telegraphic.) P.

St. Petersburg, January 17, 1911.

CONVERSION of Persia's debts to Russian Bank.

Your telegram No. 13 of the 16th January.

I spoke to-day to M. Sazonow in the sense of the above telegram. He told me that his proposal to withdraw the Kazvin troops at the earliest possible opportunity had been approved by the Emperor. He had already asked by telegraph for M. Poklewsky's views. He gave me to understand that the announcement of the withdrawal of the troops from Kazvin would be so arranged as to synchronise with the arrival in Persia of the Regent.

[2419]

No. 92.

Sir Edward Grey to Sir G. Buchanan.

(No. 22.)

Sir,

Foreign Office, January 17, 1911.

IN conversation with Count Benckendorff to-day I expressed great satisfaction that the Russian conversion scheme had been signed at Tehran. It would produce a most favourable impression if the Russian Government were to take this opportunity to withdraw their troops from Kazvin. I knew the difficulty they had had in finding a good opportunity for doing this, but, now that the conversion was signed and the Persian Foreign Minister to whom M. Poklewsky had so strongly objected was gone, I hoped the opportunity might be taken.

Count Benckendorff promised to telegraph to his Government what I had said on this point.

I am, &c.

E. GREY.

[1768]

Y

[1225]

No. 93.

Foreign Office to Imperial Bank of Persia.

Sir, *Foreign Office, January 17, 1911.*
I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 10th instant, relative to a claim put forward by certain Persian subjects that the special provision of article 10 of the concession of the Imperial Bank of Persia should apply in instances where the ordinary Persian Foreign Office court provides adequate means of deciding the questions at issue between the bank and themselves.

The view of the bank's legal advisers would appear, from the extract enclosed in your letter, to be that the bank, if they have a claim against a Persian subject, are at liberty at their discretion either to sue him in the Persian court or to invoke the article in question and refer the matter to arbitration, whereas, in the converse case, a Persian subject is only entitled to take the former course as against the bank.

Sir E. Grey does not consider that, strictly speaking, it is part of his duty as His Majesty's Principal Secretary of State for Foreign Affairs, to advise the bank as to their legal rights under their concession, but, subject to this reserve, he would have thought that article 10 of the concession, which "provides for arbitration in case of difference," is evidently not designed to supersede the ordinary jurisdiction of the courts with regard to commercial debts; to interpret the article thus would be to introduce the necessity of the bank bringing into play the elaborate and expensive machinery of arbitration for the purpose of recovering even the smallest sum from a creditor who declines to pay. By such a procedure the bank, so far from respecting the general laws of the country which, in the same article, it undertakes to do, would be rendering those laws inoperative by passing outside of them. It therefore appears to Sir E. Grey that article 10 does not deprive the bank of the right to take legal proceedings if and when necessary to protect their interests and to recover debts due to it. He does not, however, feel sure that it would be prudent to adopt the view which, as he understands from a despatch recently received from His Majesty's Minister at Tehran on the subject of the present dispute with Muin-ut-Tujjar, is held by the bank's local representative, "that this article was drawn up to meet cases where there is a difference of law or banking usage." It appears to him, in the absence of further information, that the arbitration clause in article 10 of the concession should be read *secundum subjectam materiam* in connection with the subject-matter of the concession itself, and the "difference" alluded to therein should be held to refer to a difference as to the interpretation of the concession, some question, for example, as to the exact nature of rights granted or powers exercisable thereunder.

As at present advised, he considers that the interpretation that the word "difference" refers to a "difference of law or banking usage," is neither so obvious, so natural, nor so advantageous to the interests of the bank as that which is outlined above.

If, however, the bank have been otherwise advised by counsel, Sir E. Grey would be glad to see a copy of his opinion since, as at present advised, he does not quite follow Messrs. Coward and Hawkesley's contention referred to earlier in this letter.

I am to add that on the 24th ultimo, Sir E. Grey addressed a despatch to Sir G. Barclay embodying the view set forth above.

I am, &c.
LOUIS MALLET.

[2420]

No. 94.

Sir Edward Grey to Sir F. Bertie.

(No. 25.)
Sir, *Foreign Office, January 18, 1911.*
M. CAMBON told me to-day, as he had told Sir Arthur Nicolson, what had passed with regard to French advisers for Persia, and explained that the French Government had put an end to the difficulty by declining to lend advisers.

I said that I had already informed Count Metternich that we had told the Persian Government that the best course for them would be to apply to minor Powers, for, if they applied to great Powers, we should have to insist upon the appointment of British advisers also, and Russia would of course do the same.

I am, &c.
E. GREY.

[2064]

No. 95.

Sir Edward Grey to Sir E. Goschen.

(No. 12.)
Sir, *Foreign Office, January 18, 1911.*
COUNT METTERNICH informed me very confidentially on the 17th instant that the French Government had informed the German Government that the Persian Government had applied for one French adviser for the Ministry of the Interior and one for the Ministry of Justice. The French Government had made enquiry whether the German Government would object to these French advisers. The German Government had replied that they had no objection, but that they expected that, if a similar application was made for German advisers, the French Government would not object.

I thanked Count Metternich for this information. I had not heard that the French Government had taken this step.

Some time ago we had pointed out to the Persian Government that, if they took advisers from Great Powers, we should expect some British advisers to be taken, and no doubt the Russians would expect the same. We had, therefore, expressed the opinion that it would be preferable for Persia to apply to minor Powers.

I am, &c.
E. GREY.

[2165]

No. 96.

Admiralty to Foreign Office.—(Received January 19.)

Sir, *Admiralty, January 18, 1911.*
WITH reference to your letter of the 18th November last and previous correspondence, I am commanded by my Lords Commissioners of the Admiralty to request that they may be informed of the situation with regard to the relief of the naval detachment under Lieutenant Lang, which has been at Shiraz since August 1909 for the protection of the consulate.

2. It was intended that this detachment should return to Bushire when the relief of the Indian detachment now at Shiraz takes place, but in India Office letter of the 15th November last it was stated that for the present the relief of these troops must be postponed.

3. Lieutenant Lang and his party have been retained on military duties for nearly two years, and their Lordships consider that they should return to the naval service at the earliest practicable opportunity.

4. Copy of this letter has been sent to the India Office.

I am, &c.
C. I. THOMAS.

[1617]

No. 97.

Sir Edward Grey to Sir G. Barclay.

(No. 16.)
(Telegraphic.) R. *Foreign Office, January 19, 1911.*
YOUR telegram No. 7 of 5th January: Southern roads of Persia.

Last paragraph of proposed reply respecting surcharge should be amplified so as to make reasonableness of our attitude apparent to Persian Government. It should be pointed out to them that surcharge is virtually a tax on British trade, and that His Majesty's Government consider it, in the circumstances, justifiable as a temporary expedient if British officers are responsible to the Persian Government for the organisation to be financed by it, but that they cannot admit it merely as a means of enabling the Persian Government to attempt to perform a duty, which ought to be a first charge on the ordinary revenue, without any guarantee that the attempt will be successful.

The rest of the draft is approved as it stands, and the reply may now be sent.

I concur in your observations as to foreign officers and as to omission to urge conclusion of loan.

You should telegraph text of last paragraph as sent in by you.

[1223]

No. 98.

*Foreign Office to Treasury.**Foreign Office, January 19, 1911.*

Sir,

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your communication of the 10th instant, forwarding copy of a letter from the War Office relative to the permanent appointment of an intelligence officer at His Majesty's consulate-general at Meshed, and to state that Sir E. Grey is willing, if the Lords Commissioners of His Majesty's Treasury so decide, that half the salary attached to this post should continue to be a charge on Foreign Office votes, though he considers that it would be preferable that the share of all expenses incurred under this head, which is defrayed from Imperial sources, should fall on the War Office alone.

The view originally adopted by Sir E. Grey on this question was that the maintenance of the post was a matter in no sense of Imperial, but purely of Indian interest, and though he was led partially to recede from this principle in deference to the representations made by the Secretary of State for India, and to the opinion expressed by the Army Council that the continued existence of such an officer was of importance from an Imperial standpoint, he still considers that the Imperial interest served thereby is of a purely military, as distinct from a diplomatic, character.

I am further to observe that the cost of military attachés in general constitutes a charge on the War Office, with the sole exception of the case at Tehran, where the military attaché, for special reasons, is paid by this department.

Sir E. Grey entirely agrees with the opinion expressed by the Lords Commissioners, that any Imperial contribution made under this head in excess of half the officer's pay should be subject to a maximum limit.

I am, &c.
LOUIS MALLET.

[1630]

No. 99.

*Foreign Office to Imperial Bank of Persia.**Foreign Office, January 19, 1911.*

Sir,

I AM directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran reporting the signature of the agreement providing for the conversion of the Persian Government's debts to the Russian Government and Bank.

I am, &c.
LOUIS MALLET.

[995]

No. 100.

*Foreign Office to Anglo-Persian Oil Company.**Foreign Office, January 19, 1911.*

Sir,

I AM directed by Secretary Sir E. Grey to refer to the letter from this Office of the 19th ultimo, and to the conversation which the vice-chairman of your company had there on the 5th instant, relative to their proposal to enter into an arrangement with the Sheikh of Mohammerah with a view to obtain his consent to their boring for oil in his territories.

I am to inform you in this connection that, on the 6th instant, Sir E. Grey addressed a telegram to His Majesty's Minister at Tehran, explaining that the procedure which the company desire to follow is to warn the Persian Government at once of their intention to conclude this agreement and to deduct eventually the sum paid to the sheikh thereunder from the share of the profits due to the Government, and not, as previously stated, to defer any communication to the Government till the payment of their share of the profits is due and the deduction therefrom of the sum owing to the sheikh has been actually made.

Sir E. Grey has now received a telegram from Sir G. Barclay, in reply to his communication, expressing the opinion that the proposed warning would be certain to

evoke an indignant protest from the Persian Government, and pointing out that as the latter were unwilling, in the case of the agreement concluded between your company and the sheikh for the lease of land on the Abadan Island, even to admit his Excellency's right to transfer the lands at all, they would, *à fortiori*, refuse to recognise any rights as conferred by firman except such as appertain to private landowners in Persia, as against which the company's rights are only conditioned by paragraph 2 of article 3 of their concession.

In view of these considerations, Sir G. Barclay considers that the less inexpedient of the two alternatives under discussion would be to postpone, if possible, any explanations to the Persian Government until payment is due to them and the deduction actually made, though such a course, if the Persian Government had no part in the matter, would be highhanded and hard to justify if the question were to go to arbitration as provided in article 17 of the concession.

Sir G. Barclay adds that, pending a settlement of the question, he has, as a precautionary measure, instructed His Majesty's consul at Mohammerah to explain the situation to Mr. Greenway in order that he may avoid committing himself with the sheikh for the present.

I am to state that the objections to your company's proposal had already occurred to Sir E. Grey, and that, in view of the importance attached to them by Sir G. Barclay, he is of opinion that they are worthy of serious consideration.

As it was understood from Mr. Wallace that the company are in no hurry to begin operations in the sheikh's territories, I am to express the hope that they will find it compatible with their interests to postpone that work till it becomes more urgent, unless a satisfactory arrangement can be made with the sheikh without raising the question of a surcharge.

I am, &c.
LOUIS MALLET.

[2298]

No. 101.

Imperial Bank of Persia to Foreign Office.—(Received January 20.)

Sir,

25, Abchurch Lane, London, January 19, 1911.

I HAVE the honour to acknowledge the receipt of your letter of the 17th instant relating to article 10 of the bank's concession.

My directors request me to convey their grateful acknowledgments to the Secretary of State for Foreign Affairs for the expression of his view as to the interpretation of the article in question, with which they are fully in accord, and I am to say that they do not think it necessary or desirable to take any further opinion either of the bank's solicitors or of counsel in the matter.

They note with satisfaction that Sir Edward Grey has addressed a despatch to Sir G. Barclay embodying the view stated in your letter.

I have, &c.
G. NEWELL, *Manager.*

[45597/10]

No. 102.

Foreign Office to India Office.

Sir,

Foreign Office, January 20, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letters of the 16th and 21st ultimo relative to proposed reductions of expenditure on consular establishments in Persia.

I am to express to you Sir E. Grey's satisfaction at the economies which it is intended to introduce under this head, and his concurrence in the proposal of the Earl of Crewe to inform the Government of India that the reduced scale of charges is approved, and I am at the same time to suggest that further savings might properly be effected by the general adoption of the recommendations made by His Majesty's consul in Seistan in the fourth paragraph of his letter of the 4th January, 1910, to the Government of India, copy of which is enclosed in your letter of the 21st ultimo. Those recommendations appear to justify the practice followed at the posts which are officered from the Levant consular service.

[1768]

Z

I am further to observe that, in the letter of the 20th February, 1909, from this Office, in which Sir E. Grey's views on this subject are fully set forth, the desirability of revising the distribution of consular posts in Persia between the Levant consular and Indian services is emphasised equally with the need for a reduction in the existing scale of charges connected with the latter of those services.

Sir E. Grey observes, however, that, in your two letters under reply, only the second of these points is dealt with, and I am accordingly to express the hope that Lord Crewe will give his serious consideration also to the former point, which, in Sir E. Grey's view, is one of great importance.

I am to add that the question of the amount to be contributed from Imperial sources to the cost of the intelligence officer attached to His Majesty's consulate-general at Meshed, referred to in the penultimate paragraph of your letter of the 16th ultimo, is being considered, and will form the subject of a subsequent communication.

I am, &c.

LOUIS MALLET.

[2459]

No. 103.

Sir G. Barclay to Sir Edward Grey.—(Received January 21.)

(No. 18. Confidential.)

(Telegraphic.) P.

Tehran, January 21, 1911.

RUSSIAN Bank's conversion.

Russian Minister gives me following account of an obscure telegram from his Government, which is evidently the one referred to in Sir G. Buchanan's No. 18 of the 17th January:—

Telegram states that the conclusions of the Ministry of Finance regarding the motor-car question are being sent to Tehran by post.

Russian Government hear nothing of any prospecting work in connection with the copper mining in Karajadagh, and it is imperative that the Kazvin force should be withdrawn.

Meantime [*sic*] if Persian Government give way about the motor-cars it will not be necessary to delay withdrawal for the copper-mining question, as Cossacks can be sent to protect the workmen.

In conclusion, telegram asks Russian Minister's views.

Russian Minister will defer giving his views till he receives the conclusions of the Ministry of Finance.

Telegram in question would appear to be an attempt to reconcile the wishes of the Emperor and the views of the Ministry of Finance.

[2452]

No. 104.

Sir G. Barclay to Sir Edward Grey.—(Received January 21.)

(No. 19.)

(Telegraphic.) P.

Tehran, January 21, 1911.

SOUTHERN roads note.

Your telegram No. 16 of the 19th January.

I am presenting note to-day. Wording of last paragraph is as follows:—

"With regard to the proposed customs' surcharge, I am instructed to point out to your Excellency that this surcharge would be virtually a tax on British trade. His Majesty's Government consider the imposition of this burden in the circumstances justifiable as a temporary expedient if British officers are responsible to the Persian Government for the organisation of the force the cost of which the surcharge was intended to meet. They cannot, however, consent to it merely as a means of enabling the Persian Government to attempt to perform a duty which ought to be a fixed charge on the ordinary Persian revenues, without any guarantee that the attempt will be successful."

It has appeared to me necessary slightly to add to and alter the rest of the text of the note, but unless I receive instructions to do so I do not propose to telegraph these passages. Complete text is due the 1st February in London.

[2452]

No. 105.

Sir Edward Grey to Sir G. Barclay.

(No. 18.)

(Telegraphic.) P.

Foreign Office, January 21, 1911.

SOUTHERN roads note. Your telegram No. 19 of the 21st January.

Presentation of note should, if possible, be deferred till you hear further. Please telegraph additions and alterations in text.

[2464]

No. 106.

Sir G. Barclay to Sir Edward Grey.—(Received January 22.)

(No. 20.)

(Telegraphic.) R.

Tehran, January 22, 1911.

YOUR telegram No. 18 of 21st January.

First paragraph runs as follows:—

"M. le Ministre,—I did not fail to communicate to my Government the Vizier Zadeh's note of 28th December, and I have been instructed to inform your Excellency that His Majesty's Government have learnt with satisfaction that the Persian Government is taking special measures to restore order on the southern roads. Reports from His Majesty's consular officers show, however, that a diminution of robberies on the main route from Bushire to Shiraz which has characterised the past few weeks is due not so much to any arrangements made by Soulet-ed-Dowleh for the guarding of the road as to the unusual severity of the weather. Until, therefore, the execution of measures decided upon by the Persian Government has made more progress, His Majesty's Government are unable to judge whether these measures are likely to form an acceptable substitute for the scheme outlined in my note of 14th October."

Second paragraph unchanged.

At the beginning of the third paragraph omit the word "but," and substitute words "I am to state, however, that it must [be]," &c.

Note was presented yesterday afternoon before the receipt of your telegram.

[2481]

No. 107.

Mr. Marling to Sir Edward Grey.—(Received January 23.)

(No. 41.)

Sir,

Constantinople, January 15, 1911.

WITH reference to my despatch No. 31 of the 11th instant, I have the honour to report that, according to intelligence which had reached His Majesty's vice-consul at Mosul from Kerkuk on the 21st ultimo, a mountain battery and four battalions (1,250 men) had left for the Persian frontier by that time, and that there were on that date three battalions at Suleimanieh and a similar force at Ravandouz. Mr. Greig suggests the probability that, if the above report is accurate, part of the force mentioned in the first paragraph of his despatch No. 44 of the 21st ultimo (in my despatch No. 31) stopped at Ravandouz instead of proceeding as far as Passova, and also that the strength of the battalions is even lower than he had estimated (see my despatch No. 906 of the 15th ultimo).

Mr. Greig suggests that the sending of troops to Suleimanieh indicates an intention to strengthen the force at Bana, or more probably a project for a further advance in the districts of Guran, Avraman, and Merivan. The head of the Jaff tribe, Mahmud Pasha, whom the Turks have previously employed as an intermediary in their endeavours to gain the allegiance of the tribes in those districts who have Persian leanings, has recently arrived in Mosul, and Mr. Greig suspects that his visit, though known to be partly due to a dispute concerning taxation, may also be connected with some such encroachment on the part of the Turks.

Mr. Greig also reports that the consignment of ammunition mentioned in my telegram No. 265 of the 28th ultimo as having been sent to Kerkuk, did not go there after all, but to Ravandouz, the convoy changing its route at Erbil.

The Minister for Foreign Affairs absolutely denied all movements of troops

towards Pasweh, and on the same day the Russian Embassy stated that they had no news of such advances.

I have, &c.

CHARLES M. MARLING.

[2494]

No. 108.

Mr. Marling to Sir Edward Grey.—(Received January 23.)

(No. 54.)

Sir,

Pera, January 18, 1911.

IN continuation of my despatch No. 41 of the 15th instant, I have the honour to report that I have now received a further telegram from His Majesty's vice-consul at Mosul informing me that up to the 13th instant six battalions in all had left Kerkuk for the frontier, and that reinforcements had been sent to Bana and Serdesht, so that on that date there was a battalion at each place. Mr. Greig added that the three battalions at Ravandouz had been increased to five, and that there were still three battalions at Suleimanieh and two at Passova, while it was reported that fifty men of the 33rd Cavalry Regiment had arrived at Saouj Boulak.

The newly-appointed Russian vice-consul at Mosul is believed to have gone to the districts bordering on the frontier. He recently left Bagdad, and is reported to have visited Kerkuk also on his way to his new post.

I have, &c.

CHARLES M. MARLING.

[2518]

No. 109.

Mr. Lindley to Sir Edward Grey.—(Received January 23.)

(No. 10. Confidential.)

Sir,

Sophia, January 19, 1911.

I HAVE the honour to report that I had a long conversation yesterday with M. Tcharikoff, Russian Ambassador at Constantinople, who is at present staying at Sophia on account of the health of his wife and family.

M. Tcharikoff began by explaining that his visit was of a private nature, and that he had not yet seen either King Ferdinand or his Ministers. His Excellency then turned the conversation to political questions, and said that what Bulgaria needed above all was to rid her mind of all ideas of expansion and to resign herself to a long period of uneventful economic development. She should certainly try to cultivate friendly relations with her neighbours, especially with Servia, but there should be no talk of anything sensational, such as an alliance; the rapprochement must be gradual and in accordance with the economic interests of the two countries. The conclusion of a Serbo-Bulgarian treaty of commerce would be a good beginning, but his Excellency would deprecate any mention of a customs union, the very name of which would frighten Austria out of her wits, as it had done four years ago.

The conversation then turned on Persia and the very strong views held by Assim Bey, the Turkish Minister here, on this subject. M. Tcharikoff stated that the Turks had now quite given up the belief they formerly held that the Anglo-Russian agreement meant the virtual partition of Persia, and that they would be faced by a Russian occupation of Azerbaijan, and he thought that they would be much more reasonable in the future. There was no analogy, as the Turks pretended, between the dispatch of Russian troops to certain places in Persia and the encroachments of the Turks; the former were sent in order to safeguard certain definite interests and did not interfere in the internal affairs of the country, but the Turks administered the districts they occupied and treated them as parts of the Empire. I ventured the somewhat commonplace remark that the Anglo-Russian convention would have met with a less hostile reception in Persia if the two Powers had been able to persuade the Turks to withdraw from Persian territory. To my surprise his Excellency did not seem to agree, and said that the Persians liked having the Turkish troops in their country. Great difficulties would moreover arise if they were withdrawn, since the Russians would not, of course, send troops to keep order in the districts evacuated, the Persians had no troops to send and the result would be risings of the border kurds and massacres on a large scale.

I have ventured to report the above conversation because the presence of

M. Tcharikoff has a certain importance just now when M. Sementowsky, the Russian Minister, is so ill that he can take no part in the work of his legation. The views expressed by his Excellency as regards the line to be followed by Bulgaria in the future are very much more cautious than those hitherto advocated by Prince Ouroussoff, the Russian chargé d'affaires, but I am unable to say whether this is due to a change of attitude on the part of the Russian Government or merely to the difference between the personality of the Ambassador and that of the secretary. As regards that part of the conversation dealing with Persia, the acquiescence with which M. Tcharikoff appeared to regard the presence of the Turks struck me as something new and of sufficient interest to report.

I will hand a copy of this despatch to Sir Gerard Lowther, who passes through Sophia to-morrow.

I have, &c.

FRANCIS O. LINDLEY

[2706]

No. 110.

Sir G. Barclay to Sir Edward Grey.—(Received January 23.)

(No. 21.)

(Telegraphic.) *En clair.*

Tehran, January 23, 1911.

REGENT is reported to have reached Baku.

[1988]

No. 111.

Sir Edward Grey to Sir G. Barclay.

(No. 19.)

(Telegraphic.) P.

Foreign Office, January 23, 1911.

SWEDISH officers. Your telegram No. 6 of the 4th January.

Will Swedish officers be employed throughout whole of Persia, or is it quite certain that they are required for gendarmerie in Fars only?

[1701]

No. 112.

Sir Edward Grey to Sir G. Barclay.

(No. 12.)

Sir,

Foreign Office, January 23, 1911.

I HAVE received your despatch No. 239 of the 27th ultimo, relative to a complaint made by the Persian Government respecting an answer stated to have been returned by me to a question in Parliament on the 22nd November on the subject of the situation in Persia.

I have to inform you, in reply, that the words used by me on that occasion were incorrectly reported in the press. In answer to a supplementary question by Mr. Dillon, who enquired whether it was pretended that European lives were in danger or had been in danger for a long time in Northern Persia, I was represented as having said: "I do not say that they have not been. There was an attack on the Russian consulate quite recently—within the last few weeks." The words I actually used were: "I cannot say that they have not been. There was an attack on a Russian consul," &c.

The incident which I had in my mind was the attack on the Russian consul at Kerman by robbers in November last while he was travelling to Tehran.

You are at liberty, if you think it desirable, to communicate this explanation to the Persian Government.

I am, &c.

E. GREY.

[1768]

2 A

[1518]

No. 113.

Sir Edward Grey to Sir G. Buchanan.(No. 24. Confidential.)
Sir,*Foreign Office, January 23, 1911.*

WITH reference to my despatch No. 317 of the 20th ultimo relative to reported intrigues for the restoration of the ex-Shah to the Throne of Persia, I transmit to your Excellency herewith copy of a despatch from His Majesty's Ambassador at Paris,* from which it appears that an attempt on the part of that Prince to return to his native country is not out of the question.

Your Excellency should communicate confidentially to the Russian Minister for Foreign Affairs the information contained in this despatch in case he should think it expedient to warn the competent authorities to increase the vigilance of their watch on Mohammed Ali's movements after his return to Russia.

I am, &c.
E. GREY.

[2165]

No. 114.

Foreign Office to Admiralty.

Sir,

Foreign Office, January 23, 1911.

IN reply to your letter of the 18th instant, enquiring as to the situation with regard to the relief of the naval detachment under Lieutenant Lang now stationed at Shiraz for the protection of His Majesty's consulate, I am directed by Secretary Sir Edward Grey to inform you that, according to telegrams from the Government of India and from His Majesty's Minister at Tehran, a detachment of native infantry left Bombay on the 22nd ultimo for the relief of that now at Shiraz.

The relieving detachment contained a Maxim-gun crew, with spare trained men, so that the return of Lieutenant Lang and his party to naval service need not now be long delayed.

A copy of this letter has been sent to the India Office.

I am, &c.
LOUIS MALLET.

[1336]

No. 115.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, January 23, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 5th instant on the subject of the mines of red oxide on the island of Hormuz, in which you urge the reconsideration of his refusal to insist on the cessation of all shipments to be made under the terms of the contract recently concluded between the Persian Government and Messrs. Strick till it has been shown whether the former are justified in their contention that the term of Muin-ut-Tujjar's concession expired previous to the date of his agreement with yourselves and Messrs. Weir.

I am to inform you, in reply, that His Majesty's Minister at Tehran will very shortly press the Persian Government in the strongest manner to produce proofs of their assertion, and that, pending the result of this step, he is unable, after careful consideration of the arguments advanced by you, to modify the view expressed in the letter from this Office of the 15th ultimo on the point in question.

I am, &c.
LOUIS MALLET.

[2803]

No. 116.

India Office to Foreign Office.—(Received January 24.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Earl of Crewe, forwards herewith, for the information of the Secretary of State, copy of enclosures in a letter from the Foreign Secretary to the Government of India, dated the 5th January, 1911, relative to railways in Persia.

India Office, January 23, 1911.

Enclosure 1 in No. 116.

Lieutenant-Colonel Sir H. McMahon to Government of India.

(Secret.)

Calcutta, December 20, 1910.

I HAVE the honour to acknowledge the receipt of your endorsement of the 3rd December, 1910, in which I am desired to furnish my views on the proposed scheme for the connection of the European and Indian railway systems by the construction of a line across Persia.

2. The lack of complete information regarding the country through which the proposed line is to run; the absence of reliable data and statistics of its potential possibilities, or even its existing trade requirements, render it impossible to deal with the present problem on the usual lines. Any detailed forecast of the financial results of the line or its general effect on Persia and adjoining countries is at present impossible. All that can be done in these circumstances is to treat the subject on broad lines and endeavour to arrive at general conclusions.

3. Impartial consideration of the subject is moreover hampered at the outset by the fact that we, as a nation, have always been accustomed to "insularity," and have so long endeavoured to maintain the insularity of our Indian Empire, by an impassable barrier of buffer States, and that we cannot be expected to accord a welcome to any scheme which threatens to invade our isolation and bring us, as the proposed railway must do, into direct contact by rail with the outer world.

So strong is the natural tendency to oppose any change from existing conditions that there is every danger of our failing to recognise in a proposal such as the present one, advantages which would be self-apparent to other European nations or even our own Canadian Dominion, to whom intercommunication by railway with adjoining countries is an accepted condition of ordinary life.

In our efforts to consider the problem without undue bias we must, however, endeavour, when steering wide of the Scylla of unreasonable opposition, not to shipwreck on the Charybdis of blind acceptance.

4. However anxious we may rightly be not to expedite a new order of things, we must admit the futility of expecting that the present want of communications with, and in, Persia can much longer prevent access to the world's trade, or form a barrier to European nations in their rivalry for new and larger markets.

No less necessary is it to recognise the risk that, if we decline the opportunity now afforded of a joint arrangement with Russia to open up Persia by railway to the advantage of our mutual trade, Russia may be compelled, by the necessities of the new situation created by the coming Bagdad Railway, to make joint railway arrangements with some other Power in which our advantages and requirements would be ignored. We should doubtless in the end be compelled to face the very evils we now wish to avoid, and connect our Indian railway system with one which might not receive us in an amicable spirit or on favourable terms.

It is obviously essential to recognise the above contingency before proceeding to consider the present proposal, because arguments of a political, commercial, and military nature, which may now be urged against its adoption, may be no less cogent at the moment when necessity hereafter compels us to stultify ourselves by ignoring them.

5. It is proposed to connect the Russian and Indian railway systems by a line

from Baku through Persia to India. The line will probably leave the coast of the Caspian near Enzeli, some 250 miles east of Baku, and pass through or near Tehran, Ispahan, Yezd, and Kerman. From Baku to the Indian border of Persia the line will be about 1,100 miles in length.

6. From the commercial point of view, it is obvious that the line will benefit Russian trade to an enormous and preponderating extent. As stated by the authors "all the freights of the Volga will get a considerable advantage over foreign goods over a great part of Persia." The force of this statement is the more self-evident if one remembers that goods from the Caspian littoral and the Volga need not take to the railway at Baku but can be water-borne as far as Enzeli, thus diminishing the rail journey by over 200 miles.

It will be difficult for British goods to compete in these circumstances with similar Russian goods in any part of interior Persia. To give British trade any fair chance of competing at all it will be necessary to construct branch lines northwards to meet the central line from the coast. That from Bunder Abbas to Kerman appears the one to be built first, as being within our own sphere and therefore to be under our sole control. Others from Ahwaz to Ispahan and Bushire through Shiraz will doubtless follow in due course.

7. It is not only in Persia itself, however, that the line will benefit Russian trade, for it will open out to it many fields of commercial enterprise in India. The following table of comparative distances of a few places selected at random will suffice to illustrate this:—

	Miles.
Baku to Quetta	1,500
Baku to the Indo-Persian frontier	1,100
Enzeli to Quetta	1,300
Enzeli to the Indo-Persian frontier	800
Calcutta to Quetta	1,700
" Peshawar	1,500
Bombay to Peshawar (by rail)	1,500
" Quetta (by rail)	1,300
" Delhi	1,000
Kurrachee to Peshawar	1,000
Quetta to Lahore	800
" Kerman	800
" Delhi	900
" Yezd	900
" Kurrachee	600

8. The same table, however, serves to illustrate the advantage which will accrue to Indian trade from the proposed line, and it may be confidently expected that a very great impulse will be given thereby to Indian trade throughout Persia.

The distance by rail from Delhi to Yezd, it will be observed, is but little more than from Bombay or Calcutta to Peshawar or Quetta.

9. We have as yet only considered the Persian railway from the aspect as a trade carrier, and it is now necessary to consider it in its more important aspect of a trade producer. In an isolated and undeveloped country, such as Persia, the introduction of a railway line cannot fail to have most important and far-reaching effects on trade. It must inevitably, as has been the case in every country in the world, lead to the development of agriculture and other natural resources, and nowhere perhaps do greater possibilities or room for such development exist than in Persia. There are vast tracts of good land everywhere lying unused and only needing the small capital necessary for reopening the old karezes by which they used to be irrigated. Nearer India it will pass close to the existing fertile tract of Seistan, whose wealth of surplus products will at last find a market. This must automatically lead to the rapid development of that rich country and further swell the volume of local trade.

Next will follow in the natural course of events the exploration and development of the mineral resources of the country which are known to exist, but which, through want of transport facilities, have hitherto not been considered worth investigating.

Last, but not least, the existing local products of Persia, such as ghee, hides, grain, wool, &c., which either absence or cost of transport have made it impossible or unprofitable to export, will become available for export, and thus will be removed what is now the principal impediment to Persian trade development, i.e., the dearth of exports for the payment of imports.

These are great and solid advantages which will benefit British, Russian, and

Indian trade alike. They should go far to compensate, through increased bulk, British and Indian trade for the more favoured position which the new line will give to Russian trade in its competition with ours.

10. It will, however, be imperatively necessary, in order to prevent Russia deriving more than its proper share of these and other trade advantages, to take steps to ensure British and Indian trade obtaining an equal start as regards time. Unless strenuous steps are taken, Russian trade will be able to make use of the new line before we can do so and it will be difficult for us to make up for lost time. The line should therefore be commenced simultaneously from both ends.

Russia can commence the railway at her own door, whereas we have yet to traverse a wide stretch of country to reach the Persian frontier. It is therefore essential to extend our Indian railway system to Persia by the shortest and easiest route and to do so in the least possible time. The only route which meets these requirements is that to Nushki.

Military and commercial reasons will ultimately necessitate a line from Kurrachee, but it will be unwise to use that route in the first instance. From the valuable railway reconnaissance made by Mr. Johns in 1903, it will be seen that a line from Nushki to the Persian border, 360 miles in length, admits of very easy and rapid construction. It is estimated that it could be built within two years at a cost of 198 lakhs,* whereas the line from Kurrachee (through Kondi) to the same point on the Persian border would traverse a country presenting very serious engineering difficulties; it would be over 700 miles in length, cost 750 lakhs,* and take some eight years to construct. The value of the Kurrachee line to sea-borne British trade would, moreover, be greatly minimised by the line from Bunder Abbas or other gulf seaport northwards.

Not only, therefore, should the Nushki-Robat line be pushed forward with the greatest possible speed without waiting for the commencement of the line from Baku, but work on the line from Bunder Abbas northwards and, as far as possible, from the Indo-Persian border westwards should be begun simultaneously with the commencement of the Russian ends of the main Persian line.

To facilitate action when the time comes, it would appear advisable to start railway surveys from Nushki, Robat, and Bunder Abbas with the least possible delay.

11. Of the financial success of the line itself, I do not think that there is any reason to be sceptical. Whatever the discomfort of the long rail journey compared to that by sea to Europe from the East may be, it is but reasonable to expect that the majority of travellers will be tempted to use the former route either from motives of economy or from desire to traverse the countries through which the line will run. This will apply not only to travellers to and from India, but to those between Australia and China.

The number of through passengers on which the estimate of income is based may appear large at first sight, but I do not think that it is unduly so. On the other hand, I am inclined to think that the receipts from local passengers have been under rather than over-estimated. The amount of local traffic which a railway creates even in the most uncomprising areas is often surprising. As an instance of this, I may quote the line from Quetta to Nushki. When the construction of the line was under consideration, the prospect of a remunerative local traffic was hardly thought worthy of being taken into account owing to the seemingly uninhabited area it traversed. Nevertheless, the amount of local traffic has been such as to convert what was feared would be an unremunerative strategic line into a commercially profitable one. Similarly, there is considerable reason to suppose that the line onward will, in Persia, develop a local traffic of a more extensive and lucrative nature than that now estimated for.

Incidentally, the through traffic on the proposed line will tend to increase the receipts of the Indian systems to a very considerable extent by attracting many passengers through India, who would otherwise travel by sea without setting foot in this country. It is necessary to give due credit to this factor, and also to the additional income from the carriage of the increased bulk of Indo-Persian goods on Indian lines when considering the question of guarantees to the new undertaking.

* These figures are only approximate and apply to a railway line of 62-lb. rails. They are valuable as indication of relative cost, and it should be remembered that the cost of the Kurrachee line, from the nature of the country to be traversed, is more likely to exceed the present rough estimate than the easy Nushki line.

The 750 lakhs of the Kurrachee line are arrived at by taking Mr. Johns's estimate of 668 lakhs for the line Kurrachee to Kondi, and adding 82 lakhs for the portion onwards to the Persian border, at or near Robat, at the average cost per mile of the Robat-Nushki estimate.—A. H. McM.

12. It is necessary next to regard the proposal from the political and military point of view. This can best be done together, as the difficulty of separating political from military considerations is very considerable, and for this reason only do I venture to trespass on military ground.

We are now brought face to face with new problems and, strong though the inclination may be to avoid their consideration by opposing the proposal *ab initio*, it is necessary to tackle them seriously and impartially.

In the first place, the proposed railway line through Persia involves the necessity of ensuring its safety throughout its length. It is unreasonable to expect a lucrative passenger or goods traffic if the line has to run, in turn, the gauntlet of Bakhtiari brigands or disappointed and exasperated Afghan gun-runners. It will have to be safeguarded from both.

The existence of the line will itself facilitate measures for dealing with troubles of this nature, but the real difficulty which the protection of the line involves is one common to several other questions connected with its construction and maintenance, *i.e.*, its relation to the future of the Persian Government. In this case the adequate protection of the line affects the future not only of a railway, but of a nation. On the ability of the Persian Government to meet its responsibilities in regard to the line depends the consolidation or disintegration of Persian autonomy. On this, again, depends the effect of the line on the military and political problems of India.

Needless to say, that any support which we give to the present proposal should be based on the determination to prevent its adoption leading to the disintegration of Persia, and all our efforts should be directed towards making the line a means of strengthening the authority of the Persian Government.

13. Assuming that we enter into the project only on the above understanding, we can now consider the more important problem, *i.e.* :—

What effect will the existence of the proposed line have on our position in India? Given assurance of perpetual continuance of amicable relations with Russia, the question hardly needs reply. We must, however, consider also the possible future contingency of hostility with Russia. A railway line leading from an enemy's country, distant though that may be, undoubtedly introduces sources of danger to which we are unaccustomed. As indicated in the previous remarks, the extent of the danger largely depends on the previous effect of the line on the autonomy of Persia.

The proposed line, moreover, introduces a new factor into the problem, for Germany will have doubtless acquired access to this same line from Bagdad. It is possible to conceive conditions under which the new element might add an additional source of danger to ourselves from the new line, but it is, I think, more reasonable to suppose that it will greatly minimise future danger, because the antagonism of German and Turkish interests with those of Russia is likely both to avert hostility between Russia and ourselves, and, in the event of hostilities, to render the Persian line of less assistance and value to Russia than it might otherwise be. In the event of a combination of Russia, Germany, and Turkey against us, it would be hard to over-estimate the menace which the Persian line presents to us, but at this stage it would seem superfluous to complicate the problems of the proposed line with those of Armageddon, and it should suffice to continue to deal with this question on more familiar lines.

14. It may be assumed that we will have constructed at least one branch line from the Persian coast to meet the central line, and this fact, in conjunction with the long length of the line from Baku or Enzeli, will deprive it of many attractions to Russia for military purposes against India. Again, and this is a still more important factor, the same line nearer India will have converted an important strategic point from being a grave source of danger into a place of great advantage to ourselves. I refer to Seistan.

As long as Seistan is left as it is now, equi-distant from the nearest Russian and British garrisons, it must ever remain an attractive objective and a source of temptation to Russia, and a danger to ourselves. The construction of the proposed railway line will bring us within such easy reach of it as to destroy all Russian hopes of its easy acquisition. Being no longer in the line of least resistance, it will lose its attractions to Russia and its danger to ourselves.

On the other hand, Seistan, with its important strategic position with regard to Persia and the Helmand, would be at our disposal, and its great local resources would enable us to place there, when necessity arises, a force sufficiently large to render access to India by rail both difficult and dangerous.

From a military-political point of view, therefore, the proposed railway line does not seem an unmixed evil, or one which should be avoided on military grounds at the expense of other important considerations.

15. Afghanistan has so far been omitted from these remarks, but a word is necessary on the Afghan aspect of the question. The line will affect Afghanistan only from the military aspect and in proportion to the menace it represents to that country from Russia. We cannot expect Afghanistan to be pleased with railway or any other arrangements we may jointly make with Russia, as suspicion of Russia must tend to give them a significance hostile to Afghanistan. Apart from this, there is but little in the proposed project which will alarm the Afghan Government. The desirability of our improving communications in order to co-operate in the defence of Western Afghanistan has already been clearly recognised by them. The position of the proposed line with regard to Seistan, and thereby to the Herat-Kandahar route will, I consider, outweigh in the official Afghan mind any additional menace from Russia through Southern Persia.

16. Of the numerous minor difficulties which the present proposal will bring to the front, the one which will probably give most trouble is that of gauge. Assuming that neither Russia nor ourselves will allow the other to use their standard gauge, it follows that some neutral gauge will have to be decided upon. This involves a break of gauge at both ends of the Persian line, and incidentally increases the difficulty of finding a suitable place for the entry of the line into British territory.

The requirements of a large railway terminus, establishment, staff, &c., in supplies and water are not easily met on the Indo-Persian border, and it will probably be found necessary to take the line, even at the cost of distance and time, either to the edge of the Seistan area, or to run a short branch line northwards to that place, to supply the junction where our railway systems will meet.

17. In the above remarks I have endeavoured to state as impartially as possible the merits and disadvantages of the proposed railway. The conclusion at which I have arrived is that the connection of the European and Indian railway systems is inevitable; that the disadvantages and dangers are not of such a nature as to justify our declining to take this opportunity of entering into the scheme by mutual agreement on amicable, and thereby favourable, terms, and that therefore we should give the proposal a favourable reception.

The time at my disposal has been so short that I am conscious that the above remarks must be considered as a somewhat crude and inadequate treatment of so important and complex a question.

18. The following is a brief summary of the arguments advanced in this letter and the main conclusions arrived at :—

It is unwise to expect that the present isolation of Persia can longer continue, or that we can indefinitely maintain freedom for India from intercommunication by rail from the West.

The present proposal offers opportunities of a mutual arrangement on favourable terms, and if we decline to take advantage of it, we may be compelled hereafter to seek similar inter-railway connection under less favourable conditions.

The proposed railway must benefit Russian trade in much larger proportion than British trade, but it will benefit Indian trade and largely increase the bulk of both British and Indian trade by the opening up of Persia.

It will increase the receipts of Indian railways, and thereby benefit Indian revenues.

The military or political disadvantages of inter-railway communication are less than might at first sight be supposed, and are largely counteracted by the access afforded by the line to Seistan.

These conclusions are arrived at on the assumption that our efforts are directed to preventing the line destroying the autonomy of Persia.

On the above grounds the proposal merits favourable reception, but in order to minimise the preliminary advantages of Russia, to assist British trade, prevent Russia getting an undue start of both British and Indian trade, and for strategic purposes, it is absolutely essential—

(1.) To construct a line under British control from Bunder Abbas or other Gulf port to the central line.

(2.) That the Indian railway system be extended to the Indo-Persian border by the easiest and quickest route, *i.e.*, from Nushki.

(3.) That work on (1) and also from the Indo-Persian border westwards should commence simultaneously with that at the Russian end.

(4.) That the work on (2) be pushed on with speed, without necessarily waiting for the commencement of the Persian line.

(5.) That a line be constructed in due course from Kurrachee to meet the central line within British limits.

(6.) That no time be lost in commencing the necessary railway surveys for all the above lines.

Enclosure 2 in No. 116.

Lieutenant-Colonel Cox to Government of India.

(Telegraphic.) P.

Bushire, December 20, 1910.

PROPOSED linking up of Russian and Indian railway systems by a line through Persia.

As I understand the position, we must now assume complete good faith on the part of Russia under the convention and abandonment of former designs on India. We cannot therefore take our stand on fundamental objections of Indian strategists against connection of Indian and Russian railway systems. If above premise is conceded, it seems to me that an attitude of mere benevolent neutrality will hardly suffice and might be dangerous, and that, having exercised right, which the promoters concede to us, of constructing the line from Kerman southwards, we should support the present proposal to the extent of co-operating in the thorough examination of project from business and engineering points of view.

But although the bogey of Russian designs on India is laid for the present generation, we cannot advisedly ignore the strategical aspect of the connection via Seistan altogether, and in this connection I cannot understand the dictum in letter from India Office to Foreign Office dated the 23rd December, 1909, to the effect that the strategical objections are equally insuperable, whether the line proceeds from Kerman via Nushki or across Mekran and thence near the coast to Hyderabad. I submit that an alignment from Kerman via Bam, Rigan, Bampur, Serbaz, thence across the frontier near Kej, and so on to Kurrachee or Hyderabad would be infinitely less open to strategical objection, and would also be a much more profitable line of country to tap. If the line actually touched the coast, it would do so in British territory at Gwetter or Pasni, or at Gwadur by arrangement with Muscat. Furthermore, this alignment would provide effective means for checking the arms traffic through Mekran, and for exercising influence with the Baluchistan chiefs connected therewith.

Assuming that we agree to co-operate, there remains the question of keeping Germany out of the neutral zone and preventing her from profiting by a junction of the Bagdad Railway with the Anglo-Russian through route. Granted the good faith of Russia as regards designs on India, there is nothing to prevent a pro-German epidemic in St. Petersburg from encouraging Germany to undertake active enterprise in the neutral zone and thus weaken our present predominant position therein. This contingency seems conceivably possible at the present time. The above considerations seem to me to make it essential that we should stipulate with Russia that as an anterior condition of our co-operation in promoting the through route she must first join us in obtaining a concession for the Mohammerah-Julfa line and agree to commence the section from Mohammerah to Hamadan immediately she agrees to connect the Khanikin branch of the Bagdad Railway with the Russian system via Kermanshah. We should also stipulate that we simultaneously obtain a concession for a branch line in the neutral zone: firstly, from Mohammerah via Khor Musa, Behbahan, and Shiraz to Kerman; secondly, from Bunder Abbas to Shiraz; and thirdly, from Bunder Abbas to join the through line at Bam. The latter connection should be built simultaneously with the main line, while the two former would merely be held for blocking purposes, and be taken in hand when occasion demanded. With above safeguards, and provided that commercial facilities for all be assured throughout the whole railway, I believe that both Indian and English trade would benefit and find new openings equally with Russian, and it cannot but be supposed that the general effect of the railway would be to improve the administration, develop the country, and increase the capacity of the Persian market. The question of passenger traffic depends on amount to which cost and length of journey could be curtailed, but it may be presumed that at equal ratio there would be large increase of native Indian traffic with Europe. Without further study I do not feel able to offer useful views as regards question of division of management and control.

[2825]

No. 117.

Anglo-Persian Oil Company to Foreign Office.—(Received January 24.)

*Winchester House, Old Broad Street, London,
January 23, 1911.*

Sir,

I HAVE the honour to acknowledge receipt of your Office letter of the 19th instant. I have to tender to you this company's thanks for the great trouble that you have taken in regard to the matter under discussion, and for the confidence shown to us in our being permitted to see certain official correspondence which has passed in Persia on this subject.

I note with some satisfaction from the lines at the top of p. 3 of your letter now under reply that His Britannic Majesty's Government appreciates that we shall put ourselves in a worse position before an arbitrator if we abstain from giving notice to the Persian Government of the proposed arrangement with the Sheikh of Mohammerah, because, if it were found possible to give this company reasonable assurance of protection from this danger, I think that I should have no difficulty in inducing my board to at once adopt the course which Sir G. Barclay advocates.

Meantime, negotiations are presumably in progress between His Majesty's consul in Mohammerah, whom I see that Sir G. Barclay has been so good as to instruct fully, and Mr. Greenway on this company's behalf, and I propose, therefore, with your permission, to await news of these before doing anything further in the matter.

I have, &c.

T. W. WALLACE, Vice-Chairman.

[2944]

No. 118.

Sir G. Barclay to Sir Edward Grey.—(Received January 25.)

(No. 22.)

(Telegraphic.) P.

Tehran, January 25, 1911.

SWEDISH officers.

Please refer to your telegram No. 19 of the 23rd January.

I am informed by Minister for Foreign Affairs that the Persian Government require Swedish officers to organise a national gendarmerie, and that mention was only made of Fars in his announcement in the Medjliss because only that province was under discussion in the debate at which announcement was made.

[3032]

No. 119.

India Office to Foreign Office.—(Received January 26.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of the Earl of Crewe, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 22nd January, relative to the military attaché, Meshed.

India Office, January 25, 1911.

Enclosure in No. 119.

The Earl of Crewe to Government of India.

(Telegraphic.) P.

India Office, January 22, 1911.

PLEASE see your telegram dated the 3rd January, 1911.

I sanction provisionally, up to the 31st March, continuance of appointment of military attaché at Meshed.

[1768]

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[3084]

No. 120.

Sir G. Barclay to Sir Edward Grey.—(Received January 26.)

(No. 23.)

(Telegraphic.) P.

Tehran, January 25, 1911.

HORMUZ oxide. My telegram No. 13 of the 12th January.

Persian Government have sent me a note stating merely that when concluding the contract with Strick and Co., the Persian Government considered the Muin's lease to have expired. Furthermore, note cites article 12 of Stricks' contract, and concludes by saying: "In these circumstances you will admit that if Weir have anything to say Stricks must, in accordance with this article, be responsible."

Minister of Finance has also, in virtue of the same article, officially requested Stricks' agent to enter into communication with Muin in order to ascertain and settle the amount of the lawful claims on Muin in respect of the latter's existing contract.

The article in question runs thus:—

"The sellers agree to give the buyers 1,000 tons oxide free on board, and the buyers undertake full responsibility for any lawful claim Messrs. Weir or Ellinger may have on the sellers or on the Muin under the existing contract for oxide between Weir and the Muin, so that neither the sellers nor the Muin shall be put to any loss on this account."

In view of the above it is clear that Persian Government will counter-claim against Strick any claim pressed by us on behalf of Weir and Ellinger. The "lawfulness" of our claim will very possibly be disputed by Strick and the Persian Government, or the Muin, as the case may be, will, it is to be presumed, sue him in English court of law. For this reason it is most desirable that we should be thoroughly assured that a British tribunal would uphold any claim advanced by us on the ground of illegal proceedings.

I venture to submit, therefore, that enquiry be made of Messrs. Strick as to what attitude they intend to adopt towards the claims of Weir and Ellinger, and that, if necessary, the desirability of all three parties compounding their conflicting interests under the arbitration of the Board of Trade, or other impartial body, in view of the complexity of the case and its doubtful issue, should be urged upon the houses concerned.

Private information has reached me to the effect that the Persian Government, under pressure from the Muin's friends, now maintain not that Muin's lease was invalid at the time he made his contract with Weir, but that it could be cancelled at any moment under Persian law, as his original lease had expired and as no term had been appointed in his second firman; and that, as his taxes were accepted down to the 21st March, 1910, he is entitled to compensation for value of the oxide seized by customs and mined prior to that date at the rate of 42s. 6d. per ton. As a result Stricks have been requested to hand over to Muin 20s. out of the 40s. payable to Persian Government on every ton they ship until such time as the 24,000l. due to Muin has been paid off.

Persian Government seems here to admit the right of Muin in 1908 to conclude at least temporary contracts. Furthermore, the Muin's supplementary agreement with Weir (in this connection please refer to Mr. Marling's despatch No. 146 of the 7th August, 1910), which, I understand, he proposes to invoke, might be held, if his contract for future delivery were interfered with by the revocation of his lease, to cover his responsibility.

[3109]

No. 121.

Sir G. Barclay to Sir Edward Grey.—(Received January 26.)

(No. 24.)

(Telegraphic.) R.

Tehran, January 26, 1911.

MY telegram No. 4 of the 3rd January.

Governor-General of Fars and Soulet with tribesmen left Bushire on the 24th January.

[3116]

No. 122*.

Mr. Bryce to Sir Edward Grey.—(Received January 26.)

(No. 10.)

(Telegraphic.) P.

Washington, January 26, 1911.

FINANCIAL advisers for Persia.

Your despatch No. 291 of the 29th September last.

I learn that Persian chargé d'affaires has, under instructions from his Government, requested Secretary of State to assist him in securing for the Persian Government the service of five American financial advisers.

It is reported by the newspapers that this request will be complied with by Mr. Knox.

[3115]

No. 122.

Sir G. Barclay to Sir Edward Grey.—(Received January 26.)

(No. 25.)

(Telegraphic.) P.

Tehran, January 26, 1911.

HORMUZ oxide.

In continuation of my telegram No. 23 of the 25th January, I have the honour to report that Strick's agent has approached Persian Government with a view to obtaining a concession of mining rights on the Persian littoral (including the country inland up to 40 miles from the coast), and on all the Persian islands in the Gulf. Terms offered are 50 per cent. of all net profits. I understand that Muin-ut-Tujjar is negotiating for a somewhat similar concession, offering to Persian Government 75 per cent. of net profits yielded by Hormuz, and 10 per cent. of those derived from other places. Strick's proposal is in opposition to Muin's application.

It is unlikely that either of these projects will be accepted by Medjliss, but in view of what Messrs. Strick now desire to obtain, I submit that it will be to their advantage to stand well with Persian Government and His Majesty's Government, and to raise no difficulties to paying to Messrs. Weir reasonable compensation for the violation of their contract with the Muin-ut-Tujjar.

[1695]

No. 123.

Sir Edward Grey to Sir G. Barclay.

(No. 13.)

Sir,

Foreign Office, January 26, 1911.

I HAVE received your despatch No. 231 of the 15th December last, enclosing two despatches from His Majesty's consul-general at Bushire relative to intertribal relations in Southern Persia.

I approve the action which you have already taken and the further steps which you propose to take in making representations to Sardar Assad in the interests of the Sheikh of Mohammerah.

I am, &c.
E. GREY.

[1697]

No. 124.

Sir Edward Grey to Sir G. Barclay.

(No. 14.)

Sir,

Foreign Office, January 26, 1911.

I HAVE received your despatch No. 234 of the 23rd December last, transmitting a despatch from His Majesty's consul-general at Bushire on the subject of the attitude of His Majesty's Government towards Soulet-ed-Dowleh.

I concur in the view held by you and Colonel Cox that this attitude should be one of neutrality.

I am, &c.
E. GREY.

[1957]

No. 125.

Foreign Office to Persian Transport Company.

Sir,

Foreign Office, January 26, 1911.

WITH reference to the letter from this Office of the 14th ultimo and previous correspondence relative to the extension of the period allowed for construction in your company's concession for roads in Persia, I am directed by Secretary Sir Edward Grey to inform you that the Russian Government have now stated that they have no objection to the negotiation of an arrangement whereby this result may be achieved. They presume, however, that the concession contains no stipulations which would enable your company to build railways, but concerns carriage roads exclusively.

I am to state that Sir E. Grey has instructed His Majesty's Ambassador at

St. Petersburg to reassure the Russian Government on this point, and that it is now open to your company to begin negotiations with the Persian Government for the extension of the period allowed by their concession for construction till the 24th August, 1922, as they desire.

I am further to state that His Majesty's Minister at Tehran, to whom the above information has been communicated, reports that, though the present moment cannot be said to be particularly favourable for the contemplated application, he sees no reason to postpone it, as there is no certainty that a better opportunity will occur in the future. Sir G. Barclay adds that, in the present temper of the Persian Assembly the intervention of His Majesty's Legation on your company's behalf in connection with this matter would be inadvisable and likely to do more harm than good.

I am, &c.

LOUIS MALLET.

[3084]

No. 126.

Sir Edward Grey to Sir G. Barclay.

(No. 21.)

(Telegraphic.) P.

Foreign Office, January 27, 1911.

OXIDE. Your telegram No. 23 of the 25th January.

We will await receipt of note, but what sort of proof of their contention could Persian Government produce, and do you expect them to make any further explanation? (See penultimate paragraph of your telegram.)

[3673]

No. 127.

Sir Edward Grey to Sir G. Buchanan.

(No. 33.)

Sir,

Foreign Office, January 27, 1911.

I TOLD Count Benckendorff to-day of the contents of Mr. Bryce's telegram No. 10 from Washington.

I said that we had heard nothing from Sir G. Barclay, and it was therefore clear that the Persian Government were acting quite independently.

I am, &c.

E. GREY.

[3674]

No. 128.

Sir Edward Grey to Sir G. Buchanan.

(No. 34.)

Sir,

Foreign Office, January 27, 1911.

I INFORMED Count Benckendorff to-day, with reference to his communication of the 17th instant respecting Swedish officers for Persia, of the contents of Sir G. Barclay's telegram No. 19.

Count Benckendorff referred to the last paragraph of the communication he made on the 17th, and asked how that was affected.

I replied that we had agreed in principle to the 10 per cent. increase of the customs dues, but had told the Persian Government that we must be assured that the additional revenue would be properly expended, and that we should regard the employment of British officers as providing this assurance. We should not object to the employment of Swedish officers in the southern part of Persia; but until we knew what the Persian scheme was, and experience had shown that it was effective, we could not concede the 10 per cent. increase.

I am, &c.

E. GREY.

[3313]

No. 129.

Messrs. Ellinger and Co. to Foreign Office.—(Received January 28.)

Sir,

28, Oxford Street, Manchester, January 26, 1911.

WE are in receipt of your letter of the 23rd instant on the subject of the mines of red oxide on the Island of Ormuz, and regret exceedingly that, pending the result of the pressure which His Majesty's Minister at Tehran will very shortly bring to bear upon the Persian Government in the strongest manner to produce proofs of their assertion that the Muin-ut-Tujjar's concession expired previous to the date of his agreement with Messrs. Andrew Weir and Co. and ourselves, Sir Edward Grey is unable to modify the view expressed in the letter from your Office of the 15th ultimo.

We beg to point out to you that, on the 29th November last, Mr. Martin Ellinger was informed by Mr. Maxwell that steps had been recently taken which should result in the production of the expected note by the Persian Government in proof of their statement regarding the Muin-ut-Tujjar's concession.

Mr. Mallet wrote to us on the 15th December last:—

"As the Persian Government have hitherto failed to reply to Sir George Barclay's communication by furnishing the proof demanded by Sir E. Grey, who fully recognises the urgency of the matter and the reasonable nature of your request, has instructed him by telegraph to make a further serious representation to the Persian Minister for Foreign Affairs on the subject."

Mr. Norman also told Mr. Ellinger on the 18th instant that the matter had been delayed by the Mohurran, and that this having now terminated a reply was daily expected.

It is, therefore, quite evident that the Persian Government are doing all they can to delay furnishing the promised evidence, and have disregarded very considerable pressure already applied by His Majesty's Government.

If it be ultimately found that the Persian Government cannot produce proof justifying their action the shipments which Messrs. Frank C. Strick and Co. have for the last ten years been in the habit of making in the months of February and March will, if continued this year, further seriously prejudice Messrs. Andrew Weir and Co. and ourselves, and we should therefore like to be assured that in this event His Majesty's Government will insist upon payment of the damages which we shall have sustained, and that the Persian Government are in a position to pay such damages.

We venture otherwise to suggest that, in view of the urgency of the matter, His Majesty's Minister at Tehran should be desired to indicate a reasonably short time limit within which the required proof should be forthcoming.

We are, &c.

ELLINGER AND CO.

[3236]

No. 130.

Mr. Bryce to Sir Edward Grey.—(Received January 28.)

(No. 13.)

(Telegraphic.) R.

Washington, January 27, 1911.

PERSIA.

My telegram No. 10 of the 26th January: Financial advisers for Persia.

I learn on good authority that the United States Government will supply Persia with list of financial experts, mostly men of colonial experience, advising that two be chosen and left to select their own assistants.

[3365]

No. 131.

Sir G. Barclay to Sir Edward Grey.—(Received January 28.)

(No. 26.)

(Telegraphic.) R.

Tehran, January 28, 1911.

MY telegram No. 470 of 15th November, and your letter to Ellinger of 18th November, respecting proposed mineral concessions in Persian Gulf region.

Cox telegraphs that he meant one morning at each of the places to be visited.

[3371]

No. 132.

Sir G. Barclay to Sir Edward Grey.—(Received January 29.)

(No. 27.)

(Telegraphic.) P.

Tehran, January 29, 1911.

OIL company. Borings at Ahwaz.

In continuation of my telegrams Nos. 9 and 11 of the 9th and 11th January respectively.

Following from His Majesty's consul-general at Bushire:—

I should be glad to know the final views of His Majesty's Government, if possible, before the 5th February, on which date I hope to meet Mr. Greenway.

[3428]

No. 133.

Sir G. Lowther to Sir Edward Grey.—(Received January 30.)

(No. 57.)

Sir,

Pera, January 21, 1911.

WITH reference to my despatch No. 41 of the 15th instant, in which I had the honour to report on the movement of Turkish troops on the Turco-Persian frontier, I am informed by His Majesty's consul at Mosul that Kerkuk is the head-quarters of the 32nd Artillery Regiment, which consists of twelve batteries. The regiment comprises field, mountain, and quick-firing guns; and its batteries are distributed as follows: 7 at Kerkuk, 2 at Ravanduz, 2 at Passova, and 1 at Suleimanieh.

I have, &c.

GERARD LOWTHER.

[3581]

No. 134.

Persian Transport Company to Foreign Office.—(Received January 30.)

*3, Salter's Hall Court, Cannon Street, London,
January 28, 1911.*

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 26th instant on the subject of the extension of the period allowed in our concession for the construction of roads in Persia, and to take note of the fact that the Russian Government have stated to His Majesty's Government that they have no objection to the negotiation of an arrangement with the Persian Government, whereby the necessary prolongation may be obtained.

In accordance with the recommendation contained in your despatch, we are instructing our agents in Tehran to endeavour to settle this question with the Persian Government at once. We understand you to mean that if the question were brought before the Persian Assembly, and if it were to come as a proposal on the part of His Majesty's Legation, opposition in the Assembly might be aroused. We shall be careful to warn our agents on this point. They will be instructed to negotiate with the Ministers concerned as an ordinary matter of business; but it is necessary that it should be made clear to the Persian Government by His Majesty's Minister that in the opinion of His Majesty's Government the necessary extension should be granted, and with the least possible delay.

The danger which we have to face in this matter is an appeal to "chauvinism," instigated by foreign interests in Persia, and we would express the hope that, so far as his nationals are concerned, the Russian Minister in Tehran may do what he properly can to prevent recourse to these methods.

As regards the presumption of the Russian Government that the road concession contains no stipulations which would enable our company to build railways, but concerns carriage roads exclusively, I have the honour to remind you that the road concession covers caravan roads as well as carriage roads. As regards railways, the concession does not include railways, the construction of railways not having been nor yet being permitted in Persia. But in the year 1890, the predecessors in title of our company received assurances from His Majesty's Government as regards any railways which might in future be built in districts traversed by the roads, and assurances were also given to our company in connection with the same subject in February 1903. As

the greater portion of these roads has now been placed within the Russian sphere by the act of His Majesty's Government, the value of these assurances has been very greatly diminished, and my board, therefore, count upon preferential consideration at the hands of His Majesty's Government for the construction of railways in Persia by British capital or for the participation by British capital in railway enterprises undertaken in conjunction with other countries in Persia.

I have, &c.

H. W. MACLEAN, *Secretary.*

[3624]

No. 135.

Sir G. Barclay to Sir Edward Grey.—(Received January 30.)

(No. 28.)

(Telegraphic.) P.

Tehran, January 30, 1911.

IN reply to your telegram No. 21 of the 27th January, I have the honour to state that I cannot obtain any further explanation officially from Persian Government.

I learn privately that they hold the opinion that in point of law the rights of the Muin-ut-Tujjar, under the firmans of 1895 and 1904, expired in 1905, but that as the Muin had been allowed to continue to mine the oxide and his rent had been accepted up to the 21st March of last year, they consider that on grounds of equity he should be paid the value of the oxide which he had mined previous to that date and which the Government had taken over.

What proofs the Persian Government could bring forward of their contention that a lease without term can be revoked at will I do not know, except it be an assertion that it is in virtue of their sovereign rights and in accordance with Shariat customs and law.

If you concur I would now propose to ask Persian Government officially for an opportunity to examine the different firmans that have reference to the case, but I am doubtful whether Persian Government will accede to this request, as I understand that they consider that all the information we can properly demand has already been put at our disposal.

[3621]

No. 136.

Sir G. Buchanan to Sir Edward Grey.—(Received January 30.)

(No. 20.)

(Telegraphic.) P.

St. Petersburg, January 30, 1911.

FOREIGN advisers for Persia.

Telegram No. 13 of the 27th January from Washington.

M. Sazonow's view is that if American advisers are engaged, Germany, after recent events in connection with the possibility of engaging French and Germans, will almost certainly claim that a German adviser must also be engaged.

[3622]

No. 137.

Sir G. Buchanan to Sir Edward Grey.—(Received January 30.)

(No. 21.)

(Telegraphic.) P.

St. Petersburg, January 30, 1911.

RUSSIAN troops at Kazvin.

My telegram No. 17 of the 17th January.

It seems that M. Sazonow is anxious that the Russian troops should be withdrawn from Kazvin at the earliest possible date. When I saw him to-day he said that the Turks had recently sent troops to a place situated on territory which was undoubtedly on the Persian side of the frontier, and that in all probability strong representations would have to be made at Constantinople on the subject. He was therefore anxious to give Persia a proof of the disinterestedness of the Russian Government.

[3371]

No. 138.

Sir Edward Grey to Sir G. Barclay.

(No. 23.)

(Telegraphic.) P.

Foreign Office, January 30, 1911.

OIL company and sheikh. Your telegram No. 27 of yesterday. You should inform Colonel Cox and Lieutenant Wilson that we are strongly urging company that unless an arrangement can be come to with sheikh without raising question of surcharge, they should defer work on his lands. We had, however, not yet received their final answer.

[2825]

No. 139.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, January 30, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 23rd instant relative to the proposal of your company to bore for oil in the territories of the Sheikh of Mohammerah.

Sir E. Grey observes with satisfaction that there is a prospect that your board will consent to adopt Sir G. Barclay's advice in their treatment of this question, which would involve a postponement of action unless an arrangement can be made with the sheikh irrespective of the payment of a surcharge to his Excellency. He notes, however, that their consent is conditional on the receipt of a reasonable assurance that the company will be protected from the danger of damage to their position in the eyes of an arbitrator in the event of their failing to give previous notice to the Persian Government of the proposed arrangement with the sheikh, and of the question being eventually submitted to arbitration.

As regards this point, I am to state that Sir E. Grey would be glad to learn the nature of the assurances required.

I am to add that Sir E. Grey concurs in your proposal to take no further steps in the matter pending the result of the negotiations between His Majesty's consul at Mohammerah and Mr. Greenway, and Sir E. Grey would strongly urge that, unless arrangements can be made with the sheikh without raising the question of the surcharge, the work on the sheikh's lands should be postponed until it becomes essential to the prosperity of the company. It is of the highest importance to avoid raising any question between the sheikh and the Persian Government at this juncture.

Sir E. Grey is instructing His Majesty's consul at Mohammerah in this sense.

I am, &c.

LOUIS MALLET.

[3744]

No. 140.

Sir G. Barclay to Sir Edward Grey.—(Received January 31.)

(No. 29.)

(Telegraphic.) P.

Tehran, January 31, 1911.

HORMUZ oxide.

Please refer to your telegram No. 21, dated the 27th January, and to my telegram No. 28, dated the 30th January.

Note received from Persian Government contained nothing in addition to what I have already reported by telegraph. It was forwarded to you by last bag, but owing to the snow it may be long delayed *en route*.

A pamphlet in support of his case has recently been published by the Muin-ut-Tujjar. In this document he states that the original firman granted to Haji Jafer Alani (Malik-ut-Tujjar), from whose heirs it passed into the possession of the Muin, was for a period of ten years, and was dated 1894. Mr. Preece's report, forwarded in legation despatch No. 2 of the 5th January, 1898, bears out this statement.

[3752]

No. 141.

Sir G. Barclay to Sir Edward Grey.—(Received January 31.)

(No. 30. Very Confidential.)

(Telegraphic.) P.

Tehran, January 31, 1911.

INTERNATIONAL syndicate.

In continuation of my private telegram of the 29th January, I have the honour to report that Mr. Wilson, Lynch's Tehran manager, informs me that when applying for extension of Persian Transport Company's concession on the 29th January, he threatened Minister for Foreign Affairs that he would disclose to M. Poklewsky the far-reaching loan negotiations which had come to his notice if extension of concession was not immediately granted.

Mr. Wilson states that Minister for Foreign Affairs replied that nothing would be gained by such a step, as the negotiations had already been concluded and an agreement signed.

I am assured, on the other hand, by Mr. Osborne that, though Persian Government enquired of him some time ago whether his group would arrange a loan of 10,000,000L., he has received no official application in this sense from them. In speaking to Mr. Osborne I reminded him of Mallet's letter of the 30th April last to Mr. Woolf.

This afternoon M. Poklewsky asked Minister for Foreign Affairs whether there was any truth in the alleged negotiations for a loan and received a somewhat evasive reply. His Excellency stated to my Russian colleague that so far as he was aware no written application had been made to Mr. Osborne, and that in any case no agreement could have been signed without his Excellency's cognisance.

[3624]

No. 142.

Sir Edward Grey to Sir G. Barclay.

(No. 27.)

(Telegraphic.) P.

Foreign Office, January 31, 1911.

HORMUZ oxide.

I approve course you propose in the last paragraph of your telegram No. 28 of the 30th January, but I leave it to your judgment whether you should act officially or unofficially. I should have thought that to ask for facilities as a favour in an unofficial capacity would have been preferable.

[3622]

No. 143.

Sir Edward Grey to Sir G. Buchanan.

(No. 17.)

(Telegraphic.) P.

Foreign Office, January 31, 1911.

KAZVIN troops.

Your telegram No. 21 of the 30th January.

I am greatly disappointed that Russian Government have not yet arrived at decision to withdraw Kazvin troops. You should on any favourable opportunity press upon M. Sazonow my view that this step would check tendency of Persians to look for outside support against Russia in Turkey or elsewhere, would disarm criticism of Russian policy here, and make the situation easier all round.

[3621]

No. 144.

Sir Edward Grey to Sir G. Buchanan.

(No. 18.)

(Telegraphic.) P.

Foreign Office, January 31, 1911.

YOUR telegram No. 20 of the 30th January and Sir G. Barclay's despatch No. 199 of last year: American financial advisers for Persia.

M. Sazonow should be reminded of decision then come to and communication made to Persian Government. The line then taken was that the employment of Americans provides no precedent for employment of subject of any great European Power, United States of America not being European, and I do not see why we should not use the

[1768]

2 E

same argument now. It seems difficult to abandon attitude we took up so definitely last September, but if M. Sazonow desires, I will instruct Mr. Bryce to enquire unofficially whether the United States Government are entertaining matter, and whether they attach importance to proposal. I do not see that there can be danger of matter going in practice beyond Americans as far as Great Powers are concerned, if M. Sazonow is firmly decided to insist with us that Persian Government must also employ Russian and British advisers, if they take advisers from any great European Power.

[3365]

No. 145.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, January 31, 1911.

I AM directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran, dispatched after the perusal of a copy of the letter from this Office of the 18th November last to you, relative to your proposal to send two engineers to the Persian Gulf to examine the deposits of certain minerals there with a view to obtain concessions to exploit them, should the results of the investigation prove satisfactory.

In this telegram Sir G. Barclay explains that in speaking of the possibility of the engineers making their examination "in the course of one morning," he did not intend to suggest that the whole work should be completed in that time, but that one morning should be devoted to each of the places visited.

I am, &c.

LOUIS MALLET.

[3823]

No. 146.

Count Benckendorff to Sir Edward Grey.—(Received February 1.)

*Imperial Russian Embassy, London,
January 29, 1911.*

My dear Sir Edward,

I DON'T like to trouble you on Sunday, that is why I write, asking you to consider this as a verbal communication. I just received a telegram from M. Sazonow. He raises serious objections to the appointment of American advisers to Persia, the United States being a Great Power. He apprehends it might be used as a precedent by other Great Powers. He says the French Ambassador at St. Petersburg expressed himself strongly in the same sense. I remember you having shown me on Friday Mr. Bryce's telegram informing you on this subject. M. Sazonow is very desirous of knowing your opinion, and hopes you will agree with him.

Yours, &c.

BENCKENDORFF.

[3865]

No. 147.

Sir G. Barclay to Sir Edward Grey.—(Received February 1.)

(No. 31.)

Tehran, February 1, 1911.

(Telegraphic.) P.

INTERNATIONAL syndicate.

In continuation of my immediately preceding telegram, I have the honour to report that Minister for Foreign Affairs, whom I saw this afternoon, states that there have not been any negotiations, properly so-called, with Mr. Osborne in regard to a loan.

In view of this statement I can only suppose that Mr. Wilson must have misunderstood Minister for Foreign Affairs.

[3859]

No. 148.

Sir G. Buchanan to Sir Edward Grey.—(Received February 1.)

(No. 24.)

(Telegraphic.) P.

St. Petersburg, February 1, 1911.

RUSSIAN troops at Kazvin. Your telegram No. 17 of the 31st January.

In conversation with M. Sazonow to-day, I again urged on his Excellency the expediency of withdrawing the force from Kazvin at once. M. Sazonow assured me once more that he was desirous of doing so, but said that he had telegraphed to M. Poklewsky, asking his views as to whether they could be withdrawn on the first occasion that offered. He was still awaiting M. Poklewsky's reply. I did not succeed in getting anything more explicit from M. Sazonow, and though I believe that his intention to withdraw the force is quite genuine yet I cannot understand why the matter should be delayed, unless, indeed, he is waiting until Nasr-ul-Mulk arrives in Persia.

I shall not miss any opportunity of pressing his Excellency on this matter.

[3860]

No. 149.

Sir G. Buchanan to Sir Edward Grey.—(Received February 1.)

(No. 25.)

(Telegraphic.) P.

St. Petersburg, February 1, 1911.

FOREIGN advisers for Persia. Your telegram No. 18 of the 31st January.

I communicated the substance of the above telegram to M. Sazonow this afternoon, and his Excellency begged me to tell you that he would be very grateful if you would cause unofficial enquiries to be made at Washington, as suggested. The fact of a communication having been made in September last to the Persian Government had not escaped his memory, but Germany had now so clearly manifested her desire to have a German adviser at Tehran that he thought that, no matter what we might say as to the United States being a non-European Power, she would insist on a German being appointed if Americans were engaged. The result would be that an international administration would be established in Persia; this would inevitably lead to complications, and he was therefore most anxious to avoid such a result.

He has already telegraphed these views to M. Poklewsky.

[3823]

No. 150.

Sir Edward Grey to Count Benckendorff.

(Private.)

My dear Ambassador,

Foreign Office, February 1, 1911.

WITH reference to your letter of the 29th January relative to the proposed engagement of American advisers in the Persian Ministry of Finance, to which M. Sazonow has raised objections, you will remember that the question was thoroughly discussed in September of last year, and that M. Sazonow then agreed that this step, which was desired by the Medjliss, was not likely to give rise to political difficulties. Americans not being subjects of a great European Power. The Persian Government were accordingly informed by Sir G. Barclay and M. Poklewski on the 29th September that the two Powers had no objection to the engagement of American financial advisers, but that, if the Persian Government persisted further in disregarding the friendly advice of the two Governments to seek foreign assistants from the minor Powers, the engagement of some British and Russian subjects would be insisted on.

I do not see why the two Governments should not adhere to the line then taken—that, the United States of America not being a great European Power, the employment of American citizens provides no precedent for the employment of the subjects of any other great Power.

If, however, M. Sazonow desires it, I will instruct the British Ambassador at Washington to make an unofficial enquiry whether the United States Government attach importance to the matter and are entertaining it, but it seems to me to be difficult to abandon the attitude so definitely taken up by us last September.

If M. Sazonow is firmly decided to insist, in concert with Great Britain, that if the Persian Government takes advisers from any great European Power they must also

employ British and Russian advisers, I do not see that there can be any danger of the matter going, in practice, beyond the employment of Americans as far as the great Powers are concerned.

I have addressed a telegram to Sir G. Buchanan instructing him to make a communication to M. Sazonow in this sense.

Yours sincerely,
E. GREY.

[3866]

No. 151.

Sir G. Barclay to Sir Edward Grey.—(Received February 2.)

(No. 32.)
(Telegraphic.) R. *Tehran, February 1, 1911.*
GOVERNOR-GENERAL of Ispahan was shot and very dangerously wounded this morning by Russian subject who was lately in Persian service as chief of the police there.

Culprit has taken refuge in Russian consulate-general.

[3974]

No. 152.

Sir G. Barclay to Sir Edward Grey.—(Received February 2.)

(No. 33.)
(Telegraphic.) P. *Tehran, February 2, 1911.*
OIL Company.
His Majesty's consul at Ahwaz telegraphs as follows:—

"Information has reached me to the effect that Mr. Reynolds, general fields manager of oil company, who has gone to England, is to be succeeded by Mr. Ritchie, pipe-line superintendent.

"I regard Mr. Ritchie's appointment as general fields manager as the gravest administrative blunder which has as yet been committed by company. From a knowledge of the man's personality and methods I am led to believe that disastrous political results will be brought about by his appointment.

"I consider, (1), that good relations of company with the khans will thereby be jeopardised; (2), that traditional British friendship with the khans will be endangered; (3), knowing the temper of the Lurs, I believe it possible that such a situation may be brought about as may expose the lives of British subjects at the oil fields to danger.

"The position is grave enough with the land negotiations approaching, but I consider that it would be serious if Mr. Ritchie is appointed general fields manager.

"Question demands urgent and immediate consideration."

His Majesty's consul-general, Bushire, is to see Greenway on the 5th February, and I have repeated above telegram to him.

I hope company will take no action in the meantime.

[3977]

No. 153.

Sir G. Barclay to Sir Edward Grey.—(Received February 2.)

(No. 34.)
(Telegraphic.) R. *Tehran, February 2, 1911.*

YOUR telegram No. 27 of 31st January: Hormuz oxide.

In reply to my unofficial enquiries, Minister for Foreign Affairs informs me that the Persian Government is not in possession of copies of original lease and firman, and his Excellency is doubtful whether Muin can produce them, as he has not hitherto done so. It was in the absence of these documents that the 1904 firman was granted in confirmation of the Muin's lease.

[3860]

No. 154.

Sir Edward Grey to Sir G. Buchanan.

(No. 28.)
(Telegraphic.) P. *Foreign Office, February 2, 1911.*
FINANCIAL advisers. My telegram No. 21 of to-day to Mr. Bryce.
Inform M. Sazonow.

[3860]

No. 155.

Sir Edward Grey to Mr. Bryce.

(No. 21.)
(Telegraphic.) P. *Foreign Office, February 2, 1911.*
AMERICAN financial advisers for Persia. St. Petersburg telegram No. 25 of the 1st February.

Enquire unofficially whether United States Government attach importance to appointments (see my telegram No. 18 of the 31st January to Sir G. Buchanan explaining circumstances).

[3974]

No. 156.

Foreign Office to Anglo-Persian Oil Company.

(Confidential.)
Sir, *Foreign Office, February 2, 1911.*

I AM directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran reporting that information has reached His Majesty's consul at Ahwaz of the intention of your company to appoint Mr. Ritchie, at present pipe-line superintendent in their oil-fields, to be general fields manager in the place of Mr. Reynolds, who has left for England.

In Mr. Ranking's opinion, formed in the light of a close acquaintance with Mr. Ritchie's methods and personality, this appointment would be a grave administrative error, and will, moreover, have disastrous political effects.

He considers that it will endanger the company's good relations and the traditional friendship of Great Britain with the Bakhtiari khans, and, in view of the temper of the Lurs, even the lives of British subjects in the oil-fields, while it will greatly aggravate a situation already rendered grave by the approaching negotiations respecting the proposed borings in the territory of the Sheikh of Mohammerah.

Mr. Ranking begs that the question may receive immediate attention, and I am accordingly to recommend your company most urgently to suspend the proposed appointment of Mr. Ritchie to succeed Mr. Reynolds till His Majesty's consul-general at Bushire, who is in possession of all the facts of the case, has had an opportunity of discussing it with Mr. Greenway, which will occur on the 5th instant.

I am, &c.

LOUIS MALLET.

[4037]

No. 157.

Anglo-Persian Oil Company to Foreign Office.—(Received February 3.)

*Winchester House, Old Broad Street, London,
February 2, 1911.*

Sir,
I HAVE the honour to acknowledge receipt of your letter of the 30th January. I am afraid that I should find it difficult to formulate the assurances in question. In my letter of the 23rd ultimo I threw out the suggestion on the chance of you or Sir George Barclay being able to do so. I will, however, consult my colleagues on the board of this company at an early date.

I note that Sir E. Grey would strongly urge that unless arrangements can be made with the sheikh without raising the question of the surcharge, the work on the sheikh's lands should be postponed until it becomes essential to the prosperity of the company, because it is of the highest importance to avoid raising any question between the sheikh

and the Persian Government at this juncture, and I will also lay this expression of Sir E. Grey's views before my colleagues, and I think that I can undertake that, subject to anything that may possibly be arranged by Mr. Greenway in Persia, we shall not take any steps in the matter without first consulting with the Foreign Office.

I have, &c.

E. W. WALLACE, *Vice-Chairman.*

[4096]

No. 158.

Sir G. Barclay to Sir Edward Grey.—(Received February 3.)

(No. 35.)

(Telegraphic.) P.

Tehran, February 3, 1911.

RUSSIAN troops at Kazvin.

Please refer to Sir G. Buchanan's telegram No. 24 dated the 1st February, and to my telegram No. 18 dated the 31st January.

M. Poklewski does not appear to have received any explicit instructions to report his views regarding the recall of Kazvin force independently of the question of motor-cars.

I understand that the conclusions of Ministry of Finance on this subject have not yet reached Russian Minister, and though Minister for Foreign Affairs assures him that this question will not be difficult to settle, nothing can be done pending the Regent's arrival.

It is reported that Nasr-ul-Mulk left Resht yesterday for Tehran.

[4097]

No. 159.

Sir G. Barclay to Sir Edward Grey.—(Received February 3.)

(No. 36.)

(Telegraphic.) P.

Tehran, February 3, 1911.

FOREIGN advisers.

With reference to Sir G. Buchanan's telegram No. 25 of the 2nd February, Medjliss yesterday authorised Persian Government to conclude contracts with American financial advisers, and allotted a sum of 5,600*l.* for their salaries. A vote of thanks to American Minister was passed with enthusiastic acclamations.

(Confidential.)

M. Poklewski has not received any communication from St. Petersburg. He is of opinion that matters have now advanced too far to upset the engagement of American advisers, and that a bad effect would be produced by doing so in view of our previous statements. I entirely concur.

[3821]

No. 160.

Sir Edward Grey to Sir C. Spring-Rice.

(No. 4.)

Sir,

Foreign Office, February 3, 1911.

THE Swedish Minister asked on the 30th ultimo for explanations as to the passage in the recent note addressed by Sir G. Barclay to the Persian Government dealing with the surcharge of 10 per cent. on the customs of the Persian Gulf ports, and the matter was made clear to him by Sir A. Nicolson.

Count Wrangel then said that his Government had taken no steps with regard to the Swedish officers required for the reorganisation of the Persian gendarmerie, and Sir A. Nicolson replied that, so far as His Majesty's Government were concerned, there was no objection to their proceeding with the matter, but that since the last conversation between Count Wrangel and himself, it had been made clear that the engagement of these officers was desired for the whole of Persia and not for the province of Fars only, as had been previously understood.

Count Wrangel said that he remembered that, on the last occasion when the question had been discussed between them, Sir A. Nicolson had said that the officers were required for service in the south.

Sir A. Nicolson observed that as regards Northern Persia the matter was more

[4158]

No. 161*.

Mr. Bryce to Sir Edward Grey.—(Received February 4.)

(No. 16.)

(Telegraphic.) P.

Washington, February 3, 1911.

FOLLOWING is confidential.

American financial advisers for Persian Government.

It is clear from recent conversation and correspondence that United States Government are sensitive in regard to the question of the Chinchow-Aigun Railway, and the unofficial enquiry, which you instruct me to make in your telegram No. 21 of yesterday's date, may, therefore, have an unfortunate effect.

Should you, however, desire me to carry out your instructions, may I assure Secretary of State that His Majesty's Government do not associate themselves with objections of Russian Government, as they have already expressed their own opinion that, in principle, there is no objection to the proposal, and that they merely desire information as to attitude of United States Government to proposal and to learn what the scope of the advisers' functions would be?

If I understand your telegram rightly, you wish the United States Government to receive a full and frank explanation of the situation.

[1768]

2 F*

interesting to the Russian than to His Majesty's Government, and perhaps was being discussed by the Swedish Government with the former at St. Petersburg.

Count Wrangel replied that this was possible, but that his Government were anxious to do nothing which was ill-viewed by His Majesty's Government or which was disagreeable to them.

Sir A. Nicolson repeated that, so far as the south of Persia was concerned, His Majesty's Government had no objection to the engagement of Swedish officers.

I am, &c.

E. GREY.

[4233]

No. 161.

Sir G. Barclay to Sir Edward Grey.—(Received February 4.)

(No. 37.)

(Telegraphic.) R.

Tehran, February 4, 1911.

MINISTER of Finance, Sani-ed-Dowleh, was [? shot] and very dangerously wounded by two Caucasians, presumably [group undecypherable] Russian subjects. Assaults were captured.

Four police were wounded effecting the capture.

[4158]

No. 162.

Sir Edward Grey to Sir G. Buchanan.

(No. 32.)

(Telegraphic.) P.

Foreign Office, February 4, 1911.

MR. BRYCE'S telegram No. 16 and Sir G. Barclay's telegram No. 36, both of the 3rd February.

Please inform M. Sazonow that in view of information received from Sir G. Barclay it is now too late to open the question; that after our joint communication of last year assenting to employment of Americans, such action on our part would have a very bad effect at Tehran, and that Mr. Bryce strongly deprecates enquiry.

[4158]

No. 163.

Sir Edward Grey to Mr. Bryce.

(No. 26.)

(Telegraphic.) P.

Foreign Office February 4, 1911.

AMERICAN financial advisers for Persia. Your telegram No. 16 of the 3rd February.

Enquiry need not be made in view of Sir G. Barclay's telegram No. 36 of the 3rd February.

[4234]

No. 164.

Sir G. Barclay to Sir Edward Grey.—(Received February 5.)

(No. 38.)

(Telegraphic.) P.

Tehran, February 5, 1911.

IN continuation of my immediately preceding telegram dated the 4th February.

Sani-ed-Dowleh died during the night of the 4th-5th February,

M. Poklewski is about to demand surrender of the murderers, who, after a joint investigation here will, in conformity with usual procedure, be sent to Russia to be tried.

It is highly desirable that the fear entertained by many Persians that only a slight sentence will be meted out to the assailants in Russia should not prove justified.

M. Poklewski hopes that Persian Government will be induced by this fresh crime,

following on that at Ispahan, to ask co-operation of his Government to effect the deportation of the dangerous characters among the Caucasians who, since the revolution, have remained in Persia. Up till now Persian Ministers, intimidated by possible vengeance of fedais, have shrunk from taking this step.

[4303]

No. 165.

Sir G. Barclay to Sir Edward Grey.—(Received February 6.)

(No. 2.)
Sir,

Tehran, January 21, 1911.

I HAVE the honour to transmit herewith copy of the note which, in accordance with the instructions contained in your telegram No. 16 of the 19th January, I have to-day addressed to the Persian Government in reply to its note of the 28th December last, respecting the re-establishment of order on the Bushire-Ispahan road.

I have, &c.

G. BARCLAY.

Enclosure in No. 165.

Sir G. Barclay to Mohteshem-es-Saltaneh.

M. le Ministre,

Tehran, January 21, 1911.

I DID not fail to communicate to my Government the Vazir Zadeh's note of the 28th December, and I have been instructed to inform your Excellency that His Majesty's Government have learned with satisfaction that the Persian Government is taking special measures to restore order on the southern roads. Reports from His Majesty's consular officers show, however, that the diminution of robberies on the main route from Bushire to Shiraz which has characterised the past few weeks is due not so much to any arrangements so far made by Soulet-ed-Dowleh for the guarding of the road, as to the unusual severity of the weather. Until therefore the execution of the measures decided upon by the Persian Government has made more progress, His Majesty's Government are unable to judge whether these measures are likely to form an acceptable substitute for the scheme outlined in my note of the 14th October.

Meanwhile, however, His Majesty's Government recognise in the Persian Government's decision to take these measures evidence that it is determined to do its utmost to restore order on the southern trade routes, and are therefore disposed to defer pressing their scheme on the Persian Government pending the results of the further development of the measures in question.

I am to state, however, that it must be clearly understood that His Majesty's Government will reconsider this expectant attitude in the event of a recrudescence of disorders on the Bushire-Ispahan road, and that they reserve the right to insist on the engagement of British-Indian officers at any moment should His Majesty's Government perceive that the measures taken by the Persian Government are not likely to suffice for the prompt re-establishment of security.

With regard to the proposed customs surcharge, I am instructed to point out to your Excellency that the surcharge would be virtually a tax on British trade. His Majesty's Government consider the imposition of this additional burden, in the circumstances, justifiable as a temporary expedient if British officers are responsible to the Persian Government for the organisation of the force, the cost of which the surcharge was designed to meet. They cannot, however, consent to it merely as a means of enabling the Persian Government to attempt to perform a duty which ought to be a fixed charge on the ordinary Persian revenues, without any guarantee that the attempt will be successful.

I avail, &c.

G. BARCLAY.

[4463]

No. 166.

Sir G. Buchanan to Sir Edward Grey.—(Received February 6.)

(No. 27.)

(Telegraphic.) P.

St. Petersburg, February 6, 1911.

FOREIGN advisers for Persian Government. Your telegram No. 32 of the 4th February.

I have seen M. Sazonow, who agrees with you that it is now too late for the two Powers to take any further steps with regard to the appointment of American advisers. His Excellency says that in the event of a German candidate being put forward, Great Britain and Russia will have to exercise strong pressure at Tehran to prevent his being engaged by the Persian Government.

[4464]

No. 167.

Sir G. Buchanan to Sir Edward Grey.—(Received February 6.)

(No. 28.)

(Telegraphic.) P.

St. Petersburg, February 6, 1911.

RUSSIAN troops at Kazvin.

Telegram No. 35 of the 3rd February from Tehran.

On speaking to Minister for Foreign Affairs to-day on the above subject, his Excellency said that M. Poklewsky must have misunderstood his telegraphic instructions. He would telegraph to him again at once, as he was most anxious that the troops should be withdrawn from Kazvin.

[4234]

No. 168.

Sir Edward Grey to Sir G. Barclay.

(No. 38.)

(Telegraphic.) R.

Foreign Office, February 6, 1911.

YOUR telegram No. 38 of 5th February: Murder of Sani-ed-Dowleh.

You should present the condolences of His Majesty's Government.

[4616]

No. 169.

Imperial Bank of Persia to Sir Edward Grey.—(Received February 7.)

Sir,

25, Abchurch Lane, London, February 6, 1911.

I HAVE the honour to transmit herewith extracts from confidential letters received to-day from our chief manager in Tehran, which may interest you.

I have, &c.

G. NEWELL, Manager.

Enclosure 1 in No. 169.

Extract from Confidential Letter dated January 18, received from the Chief Manager of the Imperial Bank of Persia in Tehran on February 6, 1911.

Persian Government.

Loan.—Vakil-ul-Roya hopes that this will be passed by the Medjliss this week.

The Russian Bank's consolidation, with all its extra conditions has been signed, and consequently the Persian Government is entitled to receive 160,000 tomans from that bank. Vakil-ul-Roya informs me that this sum will be paid into us, and all the jewels pawned by the ex-Shah will be transferred from the Russian Bank to the Imperial Bank.

I told you a short time ago that M. Poklewsky had relinquished all idea of the

[1768]

2 G

Russian Bank participating in the import of silver for the mint, but on the 13th instant he asked me to share the business with that bank as his Government insisted upon it. It remains to be seen what steps M. Poklewsky will take to attain his object. The Persian Government certainly will not place any business with Russia out of good-will.

Enclosure 2 in No. 169.

Extracts from a Confidential Letter dated January 21, received from the Chief Manager of the Imperial Bank of Persia in Tehran on February 6, 1911.

Norwegian Consul, Bushire.

M. BONATI, consul-general for Norway, called on me on the 19th instant and asked if I would permit our manager in Bushire to accept the post of Norwegian consul at that place, adding that none but a Britisher is desired. At present the post is held by Dr. Listemann, the German consul. I pointed out that I could not sanction this without reference to the Board, and shall be glad therefore if you will kindly lay the matter before the directors and advise me. Personally, I think it would be better not to grant the request. M. Bonati assures me that the post is merely nominal as there is no work attached to it.

The Minister of Finance has sent us his cheque on the Russian Bank for 185,000 tomans. This concludes the consolidation of that bank's accounts, and we now await the arrival of Nassir-ul-mulk before taking steps to reconvert the present arrangement into a sterling loan if possible.

[4555]

No. 170.

Treasury to Foreign Office.—(Received February 7.)

Sir, *Treasury Chambers, February 6, 1911.*

I AM directed by the Lords Commissioners of His Majesty's Treasury to acknowledge the receipt of Mr. Mallet's letter of the 19th ultimo, further on the subject of the permanent appointment of an intelligence officer at His Majesty's consulate-general at Meshed.

Their Lordships direct me to state that they have carefully considered the correspondence in the matter, and note that on the one hand the Army Council assess the interest of the War Department in the appointment at not more than 500*l.* a-year, and that on the other Sir Edward Grey still considers that the Imperial interest is of a purely military character, although he would be willing, if their Lordships should so desire, that half the salary of the post should continue to be borne on Foreign Office votes.

In these circumstances, while attaching due importance to the view expressed by Sir E. Grey in Mr. Mallet's letter to the India Office of the 12th October last, as to the fairness of the Imperial Government's present contribution of one-half the pay of the

officer only, excluding all contingent and other expenses, my Lords are willing to agree to a contribution of 500*l.* a-year being made to the Government of India in respect of this post, in lieu of the present contribution, as from 1st April next, subject to the arrangement being reviewed in two years from the 1st January last, as suggested by the War Department.

The payment of this contribution should be made from army funds, and my Lords are authorising the Army Council (to whom a copy of this letter is being sent) to make provision in army estimates accordingly.

I am, &c.
G. H. MURRAY.

[4640]

No. 171.

Sir G. Barclay to Sir Edward Grey.—(Received February 7.)

(No. 39.)

(Telegraphic.) P.

Tehran, February 7, 1911.

RUSSIAN troops at Kazvin.

M. Poklewski has now been asked by his Government for his views regarding the immediate recall of the force stationed at Kazvin. In reply, Russian Minister is telegraphing his concurrence in proposal, but stating that some delay will be inevitable owing to the snow on the roads. I have impressed upon M. Poklewski the desirability that withdrawal should be made known as soon as possible, but the delay due to the snow offers an opportunity for a final effort to settle the question of motor cars, which I fear he may find too tempting to let slip.

It is much to be hoped that an early announcement may be made. A very disquieting boycott of a recently inaugurated branch of the Banque d'Escompte at Kum is in full progress, and there is evidence of renewed anti-Russian agitation in Tehran, in consequence of the recent crimes committed by Caucasian revolutionaries.

[1213]

No. 172.

Foreign Office to Treasury.

Sir,

Foreign Office, February 7, 1911.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copies of correspondence relative to a proposal to entrust His Majesty's consul at Mohammerah with the duty of surveying the country from Dizful to Burujird, in South-Western Persia,* with a view to the eventual construction of a railway between those two places which would form a section of the projected line from Mohammerah to Julfa.

I am to state that, from the moment when the proposal for this survey was laid before him, Sir E. Grey has fully recognised the necessity for its eventual execution, as it is clearly indispensable that His Majesty's Government should be in possession of complete and accurate knowledge of a region in which it is intended eventually to construct a railway so advantageous to British interests from a political as well as from a commercial point of view.

As, however, the Lords Commissioners of His Majesty's Treasury will observe from the letter from this department to the India Office of the 31st December last, he was led to raise objections to the immediate execution of the scheme by the consideration of the unfavourable impression likely to be produced thereby on the mind of the Russian Government.

It is now clear from the language held by the Russian Minister for Foreign Affairs to His Majesty's Ambassador at St. Petersburg, as reported by the latter in the enclosed extract,† that, so far from viewing with disfavour the construction by British enterprise of a line in this part of Persia, his Excellency warmly encourages such a scheme, so that the objections raised by Sir E. Grey to the proposed survey no longer exist.

I am accordingly to express the hope that the Lords Commissioners may see their way to the charge on Imperial funds of half the expenses involved in the execution of this proposal, which has, as they will observe, the support of all His Majesty's representatives on the spot, as well as that of the Government of India and the India Office, especially in view of the exceptional fitness for the work of His Majesty's present consul at Mohammerah, whereby an opportunity is offered which may not soon recur.

The total cost of the survey is estimated at 1,500 rupees a-month, and its duration at six months, both these figures being taken as the maximum.

I am to add, with reference to Colonel Cox's despatch No. 68 of the 8th October last, forwarding Mr. Wilson's valuable report on the results of his survey of the line from Mohammerah to Dizful, that it was unnecessary to obtain special sanction in that case because the work was accomplished in the course of that officer's ordinary journeys about his consular district.

I am, &c.
LOUIS MALLET.

* Colonel Cox, No. 67, October 8; ditto, No. 68, October 8; Sir G. Barclay, No. 477, Telegraphic, November 17; to India Office, November 24; India Office, December 21; ditto, December 31, 1910.

† Sir G. Buchanan (extract), No. 25, January 25, 1911.

[1213]

No. 173.

Foreign Office to India Office.

Sir, *Foreign Office, February 7, 1911.*
 WITH reference to the letter from this Office of the 31st December last relative to the proposed survey of the Dizful-Burujird section of the projected Mohammerah-Julfa Railway, I am to transmit to you herewith copy of a despatch from His Majesty's Ambassador at St. Petersburg,* and to request that the attention of the Earl of Crewe may be invited to the last three sentences, from which it will be observed that the Russian Minister for Foreign Affairs speaks of an English project for a railway from Mohammerah to Khanikin, and strongly advises His Majesty's Government to give it their support.

The objections raised by Sir E. Grey to the proposed survey were entirely based, as Lord Crewe is aware, on the mistrust and suspicion which, in the present position of the general question of railway construction in Persia, it would be likely to arouse in the mind of the Russian Government, and not on any doubt as to its ultimate usefulness, and now that M. Sazonow's observations have removed all fear that his Excellency would view the scheme with disfavour it appears desirable that it should be proceeded with without delay.

I am accordingly to state that Sir E. Grey will forthwith cause the Lords Commissioners of His Majesty's Treasury to be approached with a view to obtain their consent to the charge to Imperial funds of half the expenses involved in the investigation.

It is true that the scheme mentioned by M. Sazonow to Sir G. Buchanan was one for a railway from Mohammerah to Khanikin, and not from Mohammerah to Julfa, but, as the former project has never, so far as Sir E. Grey is aware, been proposed by anybody, it is permissible to assume that the latter was the one which his Excellency had in mind.

I am, &c.
 LOUIS MALLET.

[3581]

No. 174.

Foreign Office to Persian Transport Company.

Sir, *Foreign Office, February 7, 1911.*
 I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 28th ultimo, relative to the extension of the period allowed in your company's concession from the Persian Government for the construction of roads in Persia.

With reference to the second paragraph of that communication, I am to point out that if, as you suggest, it is made clear to the Persian Government that in the opinion of His Majesty's Government the desired extension should immediately be granted, your company's chances of eventually obtaining it would, in the view of His Majesty's Minister at Tehran (in which Sir E. Grey concurs) be seriously prejudiced, since such an intimation would constitute an act of intervention on the part of His Majesty's Legation of precisely the kind which Sir G. Barclay deprecates.

I am accordingly to urge that your company, in their own interests, should abstain, at any rate in the present position of the question, from invoking the assistance of the legation in the matter.

I am, &c.
 LOUIS MALLET.

[4722]

No. 175.

Anglo-Persian Oil Company to Foreign Office.—(Received February 8.)

(Confidential.)

Sir,

*Winchester House, Old Broad Street,
 London, February 6, 1911.*

I HAVE the honour to acknowledge receipt of your letter of the 2nd February.

I have seen one or two of my colleagues on the board of this company, and I am to

* Sir G. Buchanan, No. 25, Secret, January 26, 1911.

reply to your letter that, in accordance with your wishes, nothing more will be done until we receive advice of Mr. Greenway's interview with His Majesty's consul-general.

I have had a telegram sent to Mr. Greenway requesting him to telegraph particulars of this interview as soon as possible.

I have, &c.
 E. W. WALLACE,
 Vice-Chairman.

[4721]

No. 176.

Imperial Bank of Persia to Foreign Office.—(Received February 8.)

Sir, *25, Abchurch Lane, London, February 7, 1911.*
 IN continuation of our letter of yesterday, and in connection with the extract from our Tehran office's letter dated the 21st January, relating to the consolidation of the Russian Bank's accounts, Mr. Wood remarks:—

"It is said, and I believe it is true, that the Russian Bank bought up, or otherwise obtained, a large sum of old Government pension receipts, which have been included in the consolidation. These receipts could be bought for 10 per cent. of their face value."

With regard to the extract from our Tehran office's letter of the 21st January sent you yesterday, relating to our Bushire manager accepting the post of Norwegian consul at Bushire, my directors will be glad to have your views on the suggestion, and will carry out your wishes in the matter.

I have, &c.
 G. NEWELL, Manager.

[4773]

No. 177.

Sir G. Barclay to Sir Edward Grey.—(Received February 8.)

(No. 40.)
 (Telegraphic.) P. *Tehran, February 8, 1911.*

RUSSIAN troops at Kazvin.

In continuation of my immediately preceding telegram, dated the 7th February, I have the honour to report that M. Poklewski will recommend to his Government that he should be authorised to make the announcement of recall of Russian troops at Kazvin at his first audience with Nasr-ul-Mulk.

[4722]

No. 178.

Sir Edward Grey to Sir G. Barclay.

(No. 43.)
 (Telegraphic.) R. *Foreign Office, February 8, 1911.*

YOUR telegram No. 33 of 2nd February.

Anglo-Persian Oil Company state that nothing more will be done regarding appointment of general fields manager till they receive report of Mr. Greenway's interview with Colonel Cox, which former has been asked to send by telegraph.

[4781]

No. 179.

Sir G. Barclay to Sir Edward Grey.—(Received February 9.)

(No. 41.)
 (Telegraphic.) Decode. *Tehran, February 9, 1911.*

REGENT arrived yesterday.

[4781]

No. 180.

Sir Edward Grey to Sir G. Barclay.

(No. 44.)

(Telegraphic.) P.

Foreign Office, February 9, 1911.

ON suitable opportunity you should tell Regent that His Majesty's Government desire to welcome him back to Tehran and are glad to hear that he has arrived safely.

His Majesty's Government wish him well in the prosecution of his task, and feel confident that he will take all possible measures for the establishment of order and tranquillity, and that he will devote himself to promoting the welfare of his country.

[4721]

No. 181.

Sir Edward Grey to Sir G. Barclay.

(No. 46.)

(Telegraphic.) P.

Foreign Office, February 9, 1911.

NORWEGIAN consul-general.

We hear from bank that it is proposed to appoint bank manager at Bushire. We quite approve, subject to your views, but would be glad if you would discuss matter with bank manager at Tehran, who is opposed to proposal.

[4781]

No. 182.

Sir Edward Grey to Sir G. Buchanan.

(No. 37.)

(Telegraphic.) P.

Foreign Office, February 9, 1911.

M. SAZONOW might also wish to say a word of encouragement and welcome to Persian Regent, and you should therefore inform him of action taken by His Majesty's Government (see my telegram No. 44 of to-day to Sir G. Barclay).

[4988]

No. 183.

Sir G. Barclay to Sir Edward Grey.—(Received February 10.)

(No. 42.)

(Telegraphic.) P.

Tehran, February 10, 1911.

NORWEGIAN consul at Bushire.

In reply to your telegram No. 46 of the 9th February, I have the honour to report that manager of Imperial Bank of Persia, Tehran, has withdrawn his objection, but would like to receive approval from his head office in London before informing Norwegian consul-general that bank manager, Bushire, can act.

[4862]

No. 184.

Sir Edward Grey to Sir G. Barclay.

(No. 48.)

(Telegraphic.) P.

Foreign Office, February 10, 1911.

LOAN rumours. Your telegram No. 31 of the 1st February.

It is stated by Imperial Bank that their manager at Tehran suggests Messrs. Lynch are interested, and believes rumours to be true.

Messrs. Lynch had themselves asked for confirmation of rumours of similar nature which have reached them and of which they informed us confidentially, at the same time begging that their name might not be mentioned in connection with enquiry.

In view of this, bank manager's suggestion appears improbable.

[5144]

No. 185.

Sir G. Buchanan to Sir Edward Grey.—(Received February 11.)

(No. 34.)

(Telegraphic.) P.

St. Petersburg, February 11, 1911.

RUSSIAN troops at Kazvin.

Your telegram No. 37 of the 9th February.

M. Powlewsky has been instructed to inform the Regent, on the occasion of his first official reception, that orders for the withdrawal of the Russian force from Kazvin have been issued. He is at the same time to express the hope of the Russian Government that this friendly act will be taken by Persia as a proof of Russia's good-will, and that Persia's attitude towards Russia will in future be of a more conciliatory nature.

[4721]

No. 186.

Foreign Office to Imperial Bank of Persia.

Sir,

Foreign Office, February 11, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 7th instant relative to the proposal of the Norwegian consul-general at Tehran to appoint the manager of the Imperial Bank of Persia at Bushire to the post of Norwegian consul at that port.

I am to inform you in reply that, subject to the opinion of His Majesty's Minister at Tehran, Sir E. Grey entirely approves of the acceptance of this proposal, and that he has accordingly addressed a telegram to Sir G. Barclay, acquainting with the facts and instructing him to discuss the matter with the bank's chief manager at that capital, who, it is observed from your letter of the 6th instant, considers that M. Bonati's proposal should not be entertained.

I am, &c.

LOUIS MALLET.

P.S.—I am to add that a further telegram has now been received from Sir G. Barclay, reporting that the chief manager has waived his objection to the proposal, but would be glad to have the approval of the bank before informing M. Bonati.

L. M.

[5130]

No. 187.

Sir G. Barclay to Sir Edward Grey.—(Received February 12.)

(No. 43.)

(Telegraphic.) R.

Tehran, February 12, 1911.

RUSSIAN consul-general at Ispahan was found drowned yesterday morning in a well in precincts of his consulate-general. There is no evidence of foul play.

At the request of my Russian colleague, I have instructed His Majesty's consul-general to take charge of Russian interests till the arrival of member of Russian Legation, who will leave for Ispahan to-day.

The assailant of the governor (see my telegram No. 32 of 1st February) has for the moment been transferred to British consulate-general.

[5131]

No. 188.

Sir G. Barclay to Sir Edward Grey.—(Received February 12.)

(No. 44.)

(Telegraphic.) P.

Tehran, February 12, 1911.

REGENT.

In accordance with instructions contained in your telegram No. 44 of the 9th February, I delivered your message to Nasr-ul-Mulk yesterday at an informal

audience. In reply, Regent begged me to express his gratitude for the message and for the sympathy which had always been shown him by His Majesty's Government. He would, he assured me, work in the closest touch with His Majesty's Legation as he had always done.

His Highness appeared to me decidedly pessimistic with regard to the political situation, which he characterised as one of complete chaos.

Up till now Nasr-ul-Mulk has not taken oath as Regent, and he informs me that, until he has come to a clear understanding with the deputies of the Medjliss, whom he has summoned to the Palace to-day, he will not do so.

[5132]

No. 189.

Sir G. Barclay to Sir Edward Grey.—(Received February 12.)

(No. 45.)

(Telegraphic.) P.

Tehran, February 12, 1911.

RUSSIAN troops at Kazvin.

In continuation of my telegram No. 40 of the 8th February, I have the honour to report that M. Poklewski stated to the Regent at an informal audience yesterday that Russian troops at Kazvin would be recalled immediately.

Nasr-ul-Mulk, M. Poklewski informs me, begged that Russian Government might not make decision public for the moment, as he desired that it should be announced when a ministry likely to reciprocate this friendly step was in office.

His Highness, I believe, has in view a Cabinet under Sipahdar, and his attitude would seem to indicate that he wished to utilise recall of the Russian troops to achieve this end.

[5178]

No. 190.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 3.)

Sir,

Tehran, January 23, 1911.

BY the courtesy of the Russian Minister, I am enabled to forward a copy of the arrangement recently concluded between the Russian Bank and the Persian Government for the consolidation of the latter's debts to the bank.

The various categories of the Government's debt to the bank amounted to 6,041,662.28 tomans, of which 41,662.28 tomans are to be paid off at once, leaving the consolidated debt at 6,000,000 tomans, which, as in the case of the consolidation of the Persian Government's debts to the Imperial Bank effected last summer, carries 7 per cent. interest, and is to be paid off in fifteen years by equal half-yearly instalments, the Persian Government reserving the right to redeem it at the end of any financial year with two months' notice.

With regard to section (b) of article 3, I should explain that these charges include the ex-Shah's pension, as well as certain of the quasi-fixed charges which have in the past been paid from the customs receipts by usage, the most important item being the upkeep of the Cossack brigade, which the Persian Government have now formally bound themselves to meet from the northern customs—these charges coming immediately after the coupon of the Russian Government's loans of 1900 and 1902.

You will notice that if the receipts of the northern customs do not suffice for the services with which they are charged, the mint revenues are to be held at the Russian Bank's disposal to make up the deficit. This stipulation takes the place of one which at one time threatened to shipwreck the negotiations, viz., a stipulation for the control of the customs in the event of default, which the Russian Minister, realising that it was likely to prove a formidable obstacle to the conclusion of the arrangement, recommended his Government to waive.

I ought to mention that, in order to oblige the Persian Government, the Russian Minister stretched a point, and allowed this arrangement to bear the date of the 31st December (13th January), though, owing to a hitch at the last moment, it was not actually concluded till the morning of the 1st January (o. s.). But for my colleague's

action in this matter, the Persian Government would have had to pay the last half-year's interest at the old extortionate rate, which would have involved a loss to the Persian Government of something like 150,000 tomans. Sufficient to meet the interest at the higher rate had been retained from the customs receipts by the Russian Bank, and the balance has now been paid over to the Persian Government, which therefore finds itself for the moment in funds.

I have, &c.

G. BARCLAY.

Enclosure in No. 190.

Agreement between the Persian Government and the Russian Bank.

ENTRE le Gouvernement de Sa Majesté le Schah et la Banque d'Escompte de Perse il a été convenu de ce qui suit :—

ARTICLE 1^{er}.

Toutes les sommes dues par le Gouvernement de Sa Majesté le Schah à la Banque d'Escompte de Perse, d'après les comptes présentés par la banque et acceptés par ledit Gouvernement, sont actuellement consolidées et unifiées en une somme totale de 60,416,622 krans 80 centimes, amortissable en quinze années, à compter du 1^{er} (14) juillet, 1910, jusqu'au 1^{er} (14) juillet, 1925. L'intérêt de cette dette sera calculé au taux de 7 pour cent annuels. Pour arrondir le chiffre de la dette une somme de 416,622 krans 80 centimes sera déduite du solde disponible des revenus douaniers se trouvant à la Banque d'Escompte de Perse en amortissement partiel de ladite dette au terme du 1^{er} (14) juillet, 1910.

ARTICLE 2.

L'amortissement de cette dette, fixée à la somme totale de 60,000,000 de krans—ainsi que le paiement des intérêts—seront effectués par le Gouvernement persan dans le délai de quinze ans, à partir du 1^{er} (14) juillet, 1910, par des versements semestriels égaux de 3,262,279 krans 90 centimes, représentant un total de 6,524,559 krans 80 centimes par an.

ARTICLE 3.

La présente dette et son amortissement régulier ont pour garantie les revenus de toutes les douanes de Perse, à l'exception de celles du Fars et des ports du Golfe Persique, mais seulement après paiement des obligations suivantes, à savoir :—

(a.) L'annuité des deux emprunts or 1900 et 1902, s'élevant à 1,670,194 r. 20 k. ;

(b.) Certaines dépenses obligatoires du Gouvernement persan, imputées sur les douanes du nord, et dont le total s'élève à 5,107,000 krans par an.

Le Gouvernement persan, déjà obligé par des engagements antérieurs (contrats de 1900 et 1902) de verser à la Banque d'Escompte de Perse la totalité des revenus des douanes susindiquées sans aucune déduction, renouvelle cet engagement pour toute la durée du présent contrat et jusqu'à l'amortissement complet de ses dettes à la Banque d'Escompte.

Par revenus des douanes sont entendus les revenus de tous les bureaux de douanes existants ou à créer à l'avenir dans les mêmes régions, déduction faite des frais de perception et d'administration (ces frais s'élèvent approximativement à la somme de 3,500,000 krans par an).

ARTICLE 4.

Dans le cours de chaque semestre et, conformément aux stipulations de l'article 3 ci-dessus, la Banque d'Escompte, ayant en dépôt les recettes douanières, procédera de la manière suivante :—

(a.) En premier lieu, la Banque d'Escompte acquittera, comme d'usage, l'annuité des deux emprunts or 1900 et 1902.

(b.) Elle retiendra, en second lieu, la somme suffisante pour couvrir aux échéances respectives les dépenses obligatoires du Gouvernement persan mentionnées à l'article 3 (b), lesquelles seront ordonnancées par le Ministre des Finances de Sa Majesté le Schah à l'intervention de l'Administration des Douanes.

(c.) Le reliquat sera affecté au paiement des intérêts et de l'amortissement de la dette consolidée par la présente convention.

[1768]

ARTICLE 5.

A la fin de chaque semestre, c'est-à-dire le 1^{er} (14) juillet et 1^{er} janvier, la Banque d'Escompte mettra, à la disposition du Gouvernement persan, l'excédent des recettes douanières, versées à ladite banque, en garantie des paiements spécifiés à l'article 4 de la présente convention.

ARTICLE 6.

Chaque fois que les revenus douaniers déposés dans le cours d'un semestre ne suffiront pas à couvrir tous les paiements prévus à l'article 4 ci-dessus, le Gouvernement persan sera tenu de parfaire la somme, augmentée des intérêts à 7 pour cent par an, au moyen d'autres ressources, dans un délai de six mois. Si, après ce délai, le déficit n'est pas comblé, la Banque d'Escompte sera en droit d'exiger que les revenus de la monnaie soient mis à sa disposition intégralement jusqu'au remboursement des arriérés et des intérêts de ceux-ci calculés sur la base de 7 pour cent annuels. Il va de soi qu'à cet effet le Gouvernement persan tiendra les revenus de la monnaie libres de toutes charges à partir du 1^{er} (14) janvier, 1912.

ARTICLE 7.

A l'expiration de chaque mois, la Banque d'Escompte présentera au Gouvernement persan un relevé des paiements effectués par l'Administration des Douanes ainsi qu'un extrait du compte-courant mentionné à l'article 9 de la présente convention.

ARTICLE 8.

Le Gouvernement persan conserve le droit d'amortir en totalité la dette consolidée avant l'échéance du terme fixé à l'article 1^{er} de la présente convention. Le remboursement de la dette ne pourra toutefois avoir lieu qu'à l'expiration d'une année révolue, c'est-à-dire le 1^{er} (14) juillet, et moyennant un préavis de deux mois.

ARTICLE 9.

Les revenus des douanes versés à la Banque d'Escompte y restent en dépôt, jusqu'au moment où ils auront atteint le montant des obligations semestrielles prévues aux lettres (a) et (b) de l'article 4 l'excédent sera porté au crédit du Gouvernement persan dans un compte-courant ouvert spécialement à cet effet et produira un intérêt de 7 pour cent par an, à partir de la date des encaissements.

En cas d'amortissement total de la dette consolidée, ce compte-courant sera clôturé.

ARTICLE 10.

En cas de contestations au sujet de l'interprétation des clauses de la présente convention, le texte français fera foi.

ARTICLE 11.

La présente convention est faite en double et en exemption de tout droit de timbre russe ou persan.

Le Ministre des Finances,

(L.S.) SANI-ED-DOWLEH.

Le Gérant de la Banque d'Escompte de Perse,

P. COURTIN.

(L.S. du Ministère des Affaires Étrangères de Perse.)

Le Ministre de Russie,

POKLEWSKI-KOZIELL.

No. 234. Vu pour la législation matérielle du présent document.

(L.S. de la Légation Impériale.)

Téhéran, le 31 décembre, 1910 (v. s.).

[5179]

No. 191.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 4.)

Sir,

Tehran, January 23, 1911.

I HAVE the honour to transmit herewith copy of a despatch from His Majesty's consul at Kerman on the subject of the present condition of the provinces of Kerman and Baluchistan.

The seriousness of the situation cannot be denied, but the arrival of the new Governor-General, the Jalal-ed-Dowleh, may very possibly have a beneficial result. My recent information is to the effect that he has arrived at Yezd.

I have, &c.

G. BARCLAY.

Enclosure in No. 191.

Consul Haig to Sir G. Barclay.

(No. 23.)

Sir,

Kerman, December 14, 1910.

I HAVE the honour of addressing you on the subject of the condition of the provinces of Kerman and Baluchistan, with a view to its being brought to the notice of the Persian Government, should such a course commend itself to you.

2. I briefly described the condition of Persian Baluchistan in paragraph 3 of my despatch No. 16, dated the 3rd October, 1910. It is not too much to say that that province is, and has for some time past been, independent. This would be a matter of small importance, except to the Persian Government, if the Baluchis would settle down peaceably within their own borders, but this they show no disposition to do, and they repeatedly raid the Kerman province, robbing and murdering not only travellers, who must expect in these days of anarchy to run risks, but also peaceful villages. Even if the Persian Government acknowledged the independence of Baluchistan, which it is not likely to do, it would still be responsible for lives and property of its subjects in the province of Kerman.

3. As regards Kerman itself, the districts of Jiruft and Rudbar seem to be inclined to follow the example of their neighbours in Baluchistan. The Deputy Governor of Jiruft was murdered considerably more than a month ago, and the murderers are still at large, and the Governor of Jiruft and Rudbar now reports that he will be unable to collect any revenue unless reinforcements are sent to him. The condition of the rest of the province is far more deplorable than that of Baluchistan, for the Baluchis can protect themselves, while the Kermanis are not only unable to defend themselves, but can expect no protection from a feeble Government. On the north and east the province is subject to the depredations of the Baluchis, and on the south and west to those of robbers from Fars, and there is no force fit to oppose these brigands. A recapitulation of the various raids reported from time to time in the weekly news from Kerman would be tedious, but within the last month or two the Hindus have been robbed, between Bunder Abbas and Kerman, of property worth 16,000 tomans, and five or six posts have been robbed and destroyed between Kerman and Tehran. I have received no post from Tehran since the 23rd November, and for more than a fortnight past the road between Kerman and Yezd has been entirely closed to traffic, the Shims stage, which consists only of a caravanserai and a post-house, having been held by a strong force of robbers, who not only rob travellers, but have been raiding the country nearly as far as the north-western boundary of Kerman in the one direction and as far as the neighbourhood of Bahramabad in the other. M. Petroff, lately acting Russian consul at Kerman, who left the town considerably more than a month ago, was robbed before he had travelled three stages, and was never able to proceed beyond Anar, six stages from Kerman. Within the last few days he has been compelled to retire to Bayaz, as the robbers holding Shims have begun to raid Anar. Baluchis or Sistans are once more active between Bam and Kashit, and I have recent reports of robbery and murder committed by them. In addition to all this, we may shortly expect a recrudescence of activity on the part of Afghan traders in arms. The Acting Governor, Sardar-i-Nusrat, is fully alive to his responsibilities, but is utterly unable to cope with the situation. To two demands recently made by me for satisfaction for the robbery of the property of British subjects in the direction of Shims he has replied that the local Government of Fars is responsible, as the robbers now holding Shims belong to that province—a

sufficiently candid confession of his inability to maintain order. As to the quality of the troops available for the suppression of these disorders, I would refer to Kerman news for the week ending the 10th November, 1910. I have since been informed, on very good authority, that the force which marched against the four Afghan assafoetida gatherers numbered fifty, not twenty, as reported by me, under the command of Nazir-ul-Mamalik of Bam, who enjoys a reputation for courage and determination. Yet this force feared to attack the four Afghans, and withdrew on a flimsy pretext, allowing them to escape.

4. I have not yet heard of the departure from Tehran of Jalal-ed-Dowleh, recently appointed Governor-General of Kerman and Baluchistan, and do not even know whether he still intends to take up his appointment, though the establishment of a strong Government in these provinces is a matter of the most pressing necessity. In conclusion, I would add, if it be not out of place for me to do so, that, even if we had no interests to safeguard in this country, common humanity would justify the adoption by us of the strongest measures for the restoration of order, and I believe that their adoption would be welcomed by the majority of the inhabitants.

I am, &c.

T. W. HAIG, *Lieutenant-Colonel.*

[5180]

No. 192.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 5. Very Confidential.)

Sir,

Tehran, January 23, 1911.

IN the concluding paragraph of my despatch No. 165, Very Confidential, of the 3rd September last, I stated that I should have the honour of addressing you again, after receiving from His Majesty's consul-general at Bushire further information on the subject of the rumoured disturbances at the fields of the Anglo-Persian Oil Company last spring.

I now have the honour to transmit Colonel Cox's despatch, which has just reached me, and which explains the genesis of the trouble.

I entirely share his opinion of the undesirability of again raising the matter by referring it to the directors of the company in London, the more so now that I learn that Mr. Greenway himself has arrived at Mohammerah, and will thus be in a position to undertake any enquiry which he may desire to make on this and kindred matters.

In these circumstances I venture to hope that no further action may be taken in the matter and no communication made to the company.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 192.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 92. Confidential.)

Sir,

Bushire, December 17, 1910.

I HAVE the honour to refer to the correspondence ending with your despatch No. 165, dated the 3rd September, 1910, to His Majesty's Foreign Office, in connection with the affairs of the Anglo-Persian Oil Company.

I attach a copy of Lieutenant Wilson's demi-official report of the 28th April, on which my telegram No. 119, dated the 30th April, to Mr. Marling, was based, together with copies of a letter and enclosure from His Majesty's acting consul at Mohammerah.

The latter also communicated the information officially to His Majesty's Legation in his weekly news sheet at the time, and it was included in legation news summary for the period ending 15th July to the Foreign Office, under head "Mohammerah."

The action taken on my telegram by Mr. Marling in any case had a very salutary effect, and your Excellency will, I trust, understand my disinclination to rake up the matter months afterwards in order to satisfy the curiosity of the directors of the oil company, a course which simply would have served to stimulate the discord which

unfortunately prevailed recently among the employes of the company on the spot, and of which one of the effects is to throw extra work upon our local officers.

I have, &c.

P. Z. COX, *Lieutenant-Colonel,*
British Resident in the Persian Gulf, and His
Britannic Majesty's Consul-General for Fars, &c.

Enclosure 2 in No. 192.

Lieutenant Wilson to Lieutenant-Colonel Cox.

My dear Colonel Cox,

Mohammerah, April 28, 1910.

I AM informed confidentially by Lynch's agent here that plague has broken out among the dhobis in Bussorah, and that measures of quarantine are contemplated. The authorities are, however, keeping it dark for the present.

Ritchie, the pipe-line contractor of the Anglo-Persian Oil Company, tells me that the company have had to close down their works almost entirely, as the Bakhtiari guards have so annoyed and fleeced the company's native servants that the latter have struck. He is very pessimistic, and seems to think that nothing but the return of the troops can possibly restore order. But a force of fifty men would be the minimum safe now.

Ranking is in Dizful, I understand, and not aware of what has happened, so I tell you as the facts may be of importance.

Yours, &c.

A. T. WILSON.

Enclosure 3 in No. 192.

Lieutenant Wilson to Lieutenant-Colonel Cox.

Sir,

Mohammerah, December 8, 1910.

IN compliance with your endorsement of the 6th, I have the honour to forward a memorandum on the subject of the report made to you demi-officially, in April last, that disturbances had broken out on the oil-fields, as a consequence of which the oil company had been obliged practically to close down their works.

I have, &c.

A. T. WILSON, *Lieutenant, I.A.,*
Acting Consul.

Enclosure 4 in No. 192.

Memorandum on the Circumstances which gave rise to Lieutenant Wilson's demi-official letter of the 28th April, 1910, reporting that Disturbances had occurred at the Oil-fields.

MR. CHAS. RITCHIE, who gave me the information contained in my above-quoted demi-official letter, is pipe-line contractor to the oil company, and actually employs a good many more men than the company at the present moment.

He spoke from actual experience of what he had seen, and in confidence to me. I would therefore ask that the source of my information should not be in any way divulged to the company should it be found necessary to address a further communication to them on the subject.

The facts which gave rise to the report are set forth substantially correctly by the managing agents in their letter to the board, an extract of which was forwarded, under Foreign Office despatch No. 107 of the 4th July, 1910, to Mr. Marling.

They state that thirty-nine Kurds struck work. My information is that about forty struck, and the Kurds themselves told me that they all struck except one. They form the only source of indigenous skilled labour at the disposal of the company, and it will be noted that the managing agents admit that in consequence of their defection one rig and the workshop stopped work. Since the works at that time consisted of one workshop and two rigs, of which one rig was, I am given to understand, not working, my statement that they had had practically to close down is approximately correct. The Kurds were absent for a week, and the assistant manager, who was in charge at

the time, told me confidentially during the course of my recent investigation into various matters at the oil-fields, that had they not returned, he had no doubt that the European staff would have followed their example. It should be explained that not only did the Kurds strike, but they left camp and proceeded to the Karun, 53 miles distant, in order to take the steamer to Mohammerah, and were only prevented from carrying out their design by Mr. Reynolds, who happened to be on board and induced them to return by promising to remove their grievances.

The managing agents were not officially advised of the incident, but they should have been. As it reflected unfavourably on the policy adopted by Mr. Reynolds, as will be apparent from the managing agents' letter quoted above, the former did not mention the incident at all, and the managing agents attempted afterwards to make light of it because they did not like it to appear that such things could happen without their cognisance, or that they had not complete control over what was being done in the camps.

I have every reason to believe that the statements on which I based my report were correct, and I was informed on the occasion of my visit to the oil-fields that the telegram which the Sardar Assad sent to the khans as a result of Mr. Marling's representations had an excellent effect, as it reached the junior khans when they were actually at the oil-fields, and induced them to give very strict orders to the guards, in conformity with the Sardar's orders.

A. T. WILSON, *Lieutenant, I.A.,*
Acting Consul.

[5181]

No. 193.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 6.)

Sir,

Tehran, January 23, 1911.

WITH reference to my telegram No. 491 of the 27th November last, reporting that the contract between the Persian Government and Messrs. Strick for the sale of 30,000 tons of Hormuz red oxide had been signed on the 26th November, I have the honour to transmit herewith copy of the contract in question.

It will be noticed that under article 12 of this contract, Messrs. Strick and Co. are to receive gratis 1,000 tons of oxide in return for their assuming full responsibility for any lawful claim Messrs. Andrew Weir and Co. or Messrs. Ellinger and Co. may have on the Persian Government or the Muin-ut-Tujjar on account of the existing contract between the latter and Messrs. Weir and Co.

I have, &c.
G. BARCLAY.

Enclosure in No. 193.

Contract between the Persian Government and Messrs. Strick and Co.

AN agreement entered into between the Ministry of Public Works of the Persian Government hereinafter called "the sellers" of the first part, and Messrs. Frank C. Strick and Co., Limited, hereinafter called the "buyers" of the second part, whereby it is agreed as follows:—

1. The sellers agree to sell and the buyers agree to buy 30,000 tons of Hormuz red oxide of the usual quality red oxide hitherto mined and shipped from Hormuz Island to London and other United Kingdom ports at the price of 40s. per ton free on board steamer at Hormuz. The buyers shall express to the sellers their approval or disapproval of the oxide within sixteen days of the completion of delivery at final port of discharge of each parcel. If the quality of any parcel is found to be inferior, sellers shall make buyers such an allowance as may be mutually agreed or otherwise as may be determined by arbitration in London. Samples shall be taken by the dock wharf or other official sampler for the purposes of arbitration.

2. The term of this agreement is for a period of five years from the 21st day of March, 1910, to the 20th March, 1915.

3. The 30,000 tons red oxide to be delivered and shipped during the term of this contract at the rate of 6,000 tons yearly, the buyers to have the option of shipping more but not less than 6,000 tons in any one year until the whole 30,000 tons shall have been delivered.

4. The buyers having paid to the sellers the sum of 15,000l. on account of the total sums expected to become due to the sellers under this agreement, it is hereby agreed that such 15,000l. represents an advance of 10s. per ton on the 30,000 tons hereby bought and sold, and the buyers agree to pay the balance of the purchase price at the rate of 30s. per ton shipped on steamers nominated by them, such payments to be made against delivery of the receipts of the respective mates to the authorised agents of the buyers for the time being at Tehran.

5. The buyers, when they wish to take delivery of any oxide, undertake to give the sellers fifteen days' notice, in writing or by telegraph, before the arrival of the steamer, and to name the day of its arrival and give the name of the steamer.

6. Should the vessel not arrive at Hormuz within three days of the date nominated, the buyers shall pay to the sellers 6l. per day after the date nominated to cover the cost of the maintenance of coolies at Hormuz until the vessel arrives at Hormuz or until the buyers advise the sellers that they are prevented from sending their steamer to load.

7. In the event of a steamer being ready at the Isle of Hormuz to take delivery of red oxide, due notice of arrival having been given according to article 5 of this agreement, and if the sellers shall have been the cause of any delay in the loading, at the expiration of ten days on demurrage steamer may sail whether she has loaded the full quantity or not for which notice has been given, the sellers paying dead-freight at the rate of 15s. per ton on the quantity short delivered to the steamer by reason of the above-mentioned delay.

The provisions of this clause shall not be held to take effect respecting quantities short delivered to the steamer from incorrect weighing, and the time (provided it be not less than twenty-four hours) during which sellers shall have been prevented from delivering oxide by reason of causes over which they have no control, such as storms, earthquakes, insurrections, and other natural and political convulsions, &c., shall not be calculated as part of the ten days on demurrage.

8. The weight of each shipment to be ascertained as customary at final port, and official certificate of weight furnished by dock company, railway company, public wharfinger, or official weigher to be accepted as final by the sellers. The sellers and the buyers shall bear in equal proportion the actual cost of ascertaining the weight.

9. In the event of any moneys becoming due in respect of inferior quality, short shipment, or delay in delivery caused by the sellers, the sellers shall pay the amount of such moneys to the buyers' authorised agent for the time being at Tehran.

10. The sellers undertake that during the period of this contract no oxide mined on the Island of Hormuz other than the oxide hereby bought and sold shall be offered for sale, sold, shipped, delivered, or transferred to any person or persons whatsoever. But the sellers shall have the right to sell oxide at any time for delivery after the expiration of this contract, provided the buyers have pre-emption.

11. In the event of Hormuz or any of the adjacent ports or places being declared at any time to be infected or in the event of quarantine being imposed, the sellers and the buyers respectively shall be relieved during such time from any obligation hereunder that they may be prevented from performing by reason thereof, and for all purposes of calculation and time and otherwise under this contract, such period shall be treated as a period during which the contract shall be suspended and as if such period had not existed.

12. The sellers agree to give the buyers 1,000 tons oxide free on board, and the buyers undertake full responsibility for any lawful claim Messrs. Andrew Weir and Co. or Messrs. Ellinger and Co. may have on the sellers or on the Muin-ut-Tujjar under the existing contract for oxide between Messrs. Andrew Weir and Co. and the Muin-ut-Tujjar, so that neither the sellers nor the Muin-ut-Tujjar shall be put to any loss on this account.

13. In the event of any dispute arising under this contract, it shall be referred to two arbitrators in England, in accordance with the provisions of "The Arbitration Act, 1889," provided that any umpire appointed under the provisions of that Act shall be some person engaged in commercial business. The arbitrators or umpire may accept such evidence as they or he may think fit.

(For Frank C. Strick and Co., Limited),
DAVID BROWN, Agent.

Tehran, November 17, 1910.

(Seal of Ministry of Public Works.)

[5182]

No. 194.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 7.)

Sir,

Tehran, January 23, 1911.

SINCE writing my despatch No. 237 of the 27th December last, I have received reports of two or three trifling robberies on the Bushire-Ispahan road, but they did not seem of sufficient importance to warrant my reporting them by telegraph. There has certainly been a diminution of disorders on the road and caravans are passing along it. According to a telegram from His Majesty's acting consul at Shiraz received this morning, "the road is deep under phenomenal snow and robberies are now unlikely." Mr. Smart adds "Caravans accumulate fitfully and proceed with special guards, the post arriving every two or three weeks."

There is not much progress to report in the development of the measures which the Persian Government stated in their note of the 28th December that they were taking for the re-establishment of security on the road. Soulet-ed-Dowleh appears to have insufficient control over his tribesmen to encourage any confident hope that he will be able to cope with any recrudescence of disorders in the spring.

Nizam-es-Sultaneh has not yet got beyond Bushire on his way to his post, and no troops have yet left Ispahan for Shiraz, though I understand that the 700 men and 3 guns sent from Tehran have reached Ispahan, and have been joined by some 800 more ordered to Shiraz.

The Imperial Bank's loan, on which the efficacy of the Persian Government's measures for the policing of the road so much depends, is like all else in Government life in Tehran, hanging fire pending the arrival of the Regent, Nazr-ul-Mulk, who left Vienna on the 17th instant, and has now reached Baku. No progress has been made in the work of the commissioners appointed to study the apportionment of the proceeds of the loan amongst the different Ministries, and to elaborate a system of control, though instructions, of which I enclose a copy, have been issued for its working.

General Maletta, the foreign officer referred to in the Persian Government's note of the 28th December, as having been appointed and sent to Fars, has not yet left Tehran. He was to have left yesterday, but is still delayed awaiting written instructions. He called on me on the 19th instant to say good-bye. He complained of the delay in furnishing him with instructions. His contract stated that he was to organise a gendarmerie in Fars, and he has been told verbally that the force is to consist of 700 men, but he has been able to obtain nothing more precise. He also complained that it was not intended to give him complete control over the funds for this force. Just before General Maletta's visit I had seen the Minister for Foreign Affairs, on whom I had urged the importance of facilitating General Maletta's work in every way. His Excellency told me that a sum of 80,000 tomans had been remitted to the Imperial Bank's branch at Shiraz towards the expenses of the proposed force, and he assured me that no part of this money would be spent without General Maletta's consent. I conveyed these assurances to General Maletta. The general promised to keep in the closest touch with His Majesty's consulate at Shiraz.

I begged him to inform the consulate at once if he was in any way obstructed by the local authorities in the execution of his duties, and promised that any complaints that he had to make on this score would receive my immediate attention.

I should mention that I was favourably impressed by General Maletta, who seemed to have proper realisation of the importance and opportunities of his mission.

I have, &c.

G. BARCLAY.

P.S. *January 27.*—Since writing the above I learn that 2,000 troops, with three guns, have left Ispahan for Shiraz, and also that Nizam-es-Sultaneh has started on his onward journey from Bushire. I also learn that General Maletta leaves Tehran to-morrow, and that he has now received adequate instructions.

I regret that, as the messenger is on the point of leaving, I have no time to recast my despatch, although the postscript in great measure belies its contents.

G. B.

Enclosure in No. 194.

Instructions issued to Commissioners.

A L'OCCASION du projet d'un emprunt de conversion de 1,250,000l. déposé récemment à la Chambre des Députés par le Gouvernement, le rôle de la commission consistera, pour ce qui concerne les sommes qui resteront éventuellement disponibles après les opérations de ladite conversion, et dont le Gouvernement aura fixé l'usage d'une manière générale :—

(a.) L'étude et l'élaboration des détails de l'emploi de ladite somme, d'après un projet qu'elle soumettra au Gouvernement.

(b.) La recherche, dans un système de contrôle à créer, des mesures propres à empêcher tout détournement et tout gaspillage desdits crédits.

Il va de soi que si le contrôle des fonds provenant du nouvel emprunt doit entraîner, dans l'intérêt du Gouvernement, le contrôle d'autres revenus et dépenses, la commission ne manquera pas d'adresser sans retard au Gouvernement telles propositions qu'elle jugera utiles.

2. Le Ministre des Finances présidera les séances de la commission sans avoir voix délibérative.

Il sera assisté de deux secrétaires choisis parmi les membres.

En cas d'absence, le président se fera remplacer par le vice-président, également choisi parmi les membres de la commission.

3. La commission correspondra officiellement avec le Président du Conseil et tous les Ministres par l'entremise du Ministère des Finances.

Ses lettres sont signées par le président ou le vice-président, et contre-signées par les deux secrétaires.

4. La commission ne pourra délibérer que si les deux tiers des membres au moins sont présents.

Les votes auront lieu par assis et levé, ou par l'appel nominal, si trois membres au moins le réclament.

5. La commission est composée de quinze membres, y compris le Ministre des Finances.

En dehors de ceux-ci, personne, excepté les Ministres ou leurs représentants les Sous-Secrétaires d'État, ne pourra assister aux séances de la commission.

Toutefois, si la Commission des Finances du Medjlis désire communiquer directement avec la Commission spéciale, elle pourra toujours le faire avec l'assentiment préalable du Ministre des Finances.

6. La commission est autorisée à consulter et à convoquer, par l'entremise du Ministère des Finances, tout fonctionnaire ou tout autre personne dont la compétence particulière pourrait être utile à ses travaux.

Le 19 moharrem, 1329 (21 janvier, 1911).

[5183]

No. 195.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 8.)

Sir,

Tehran, January 24, 1911.

I HAVE the honour to report that Nasr-ul-Mulk landed at Enzeli yesterday.

As soon as it was definitely known that Nasr-ul-Mulk had at last made up his mind to return to Persia, the Prime Minister, Mustaufi-ul-Mamalek, gave out that his Ministry was resolved to resign as soon as Nasr-ul-Mulk was installed as Regent, and Sardar Assad has since then desisted from his attempts to upset the Cabinet.

Meanwhile, the principal reason given me by Sardar Assad for wishing the downfall of the Cabinet, viz., the need of better relations with Russia, has lost some of its urgency. Even before Hussein Kuli Khan's resignation there were some indications of a *détente* in the relations of the Ministry of Foreign Affairs with the Russian Minister, and this *détente* has become more pronounced since the appointment of Mohtashem-es-Saltaneh. Since Mohtashem-es-Saltaneh assumed office, not only has the arrangement for the consolidation of the Persian Government's debt to the Russian Bank been concluded, but certain Russian claims, notably that on account of the attack on M. Passek, have been settled.

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It is true that, notwithstanding the less Russophobic attitude of the Minister for Foreign Affairs, Sardar Assad still has strong objections to the present Cabinet. He dislikes Ain-ed-Dowleh, the Minister of Interior, and Farman Farma, the Minister of War, the latter of whom he suspects of intriguing to bring back the ex-Shah, but he knows that Nasr-ul-Mulk will be against the inclusion in the Government of these two representatives of the old régime, and is content to wait.

I have, &c.
G. BARCLAY.

[5184]

No. 196.

Sir G. Barclay to Sir Edward Grey.--(Received February 13.)

(No. 9.)

Sir,

Tehran, January 24, 1911.

I HAVE the honour to enclose herewith the usual monthly summary of events in Persia during the past four weeks.

I have, &c.
G. BARCLAY.

Enclosure in No. 196.

Summary of Events in Persia for four weeks ending January 24, 1911.

Tehran.

THE agreement between the Persian Government and the Russian Bank consolidating the floating debt of about 1,200,000*l.* was signed on the 13th January. Interest is reduced to 7 per cent., and the contract provides for the repayment of the debt in fifteen years by half-yearly payments of interest and sinking fund amounting to about 120,000*l.* a-year. Fixed charges on the northern customs amounting to some 100,000*l.* a-year, including the ex-Shah's pension, are provided for in the contract. The guarantee is the same as that for the Russian loans of 1900 and 1902, and in case of insufficiency the mint revenues are ear-marked as well. The arrangement is retrospective dating back to the 1st July (14th) 1910, and is in every way advantageous to the Persian Government.

Mohtashem-es-Sultaneh was appointed Minister for Foreign Affairs on the 3rd January.

Ain-ed-Dowleh, the Minister of the Interior, resigned on the 22nd January.

The Premier has announced his intention of handing in his resignation and that of his Cabinet as soon as the Regent arrives at Tehran.

The Medjliss.

On the 31st December, the Acting Foreign Minister, was questioned regarding the Anglo-Persian Oil Company's affairs. It was stated that the company did not employ Persian labourers, had constructed a light railway and telephone line without permission, and had acquired the ownership of the Island of Abbadan. Various other allegations were made regarding supposed British activity in the Islands of Abu Musa and Sirri. The representative of the Foreign Office gave the usual evasive replies.

The Minister of the Interior was questioned at the same sitting respecting the return to Persia of the notorious Rahim Khan who had taken refuge in Russia. He answered that Rahim Khan had returned with peaceful intentions and had asked permission to reside at Tabreez.

At the sitting of the 3rd January, the renewal of Mr. Molitor's contract for three years at a salary of 25,100 fr. per annum, was approved.

Mohtashem-es-Sultaneh, the new Foreign Minister, was introduced in that capacity by the Premier.

The proposed loan from the Imperial Bank was referred to the financial committee of the House.

In answer to an interpellation the new Foreign Minister stated that the Government intended to organise a force of gendarmerie in Fars under the command of foreign officers. For this purpose the Italian Government had been applied to, but had not

seen their way to meet the wishes of the Persian Government. The Swedish Government were then applied to and a telegram had been received from the Persian Minister in Paris giving the conditions upon which the Swedish Government were willing to supply the officers in question. The matter has been put before the Foreign Affairs Committee of the House. He concluded by declaring that the Government were determined to restore order and security in Fars.

At the sitting of the 5th January, an attempt was made to bring on a vote of censure against the Cabinet, but the motion to discuss the subject of the Government's shortcomings and the alleged unpopularity of the Medjliss, was rejected by the majority. The Ministers who were in an adjoining room, however, deputed Sani-ed-Dowleh to ask the House, in view of what had occurred, to vote definitely for or against the continuance in office of Mustaufi-ul-Ma'alek's Cabinet. Sani-ed-Dowleh stated that if the Cabinet were dissolved the Regent could be asked by telegraph to appoint a new Premier. The speeches which followed revealed a great deal of party and personal prejudice, and it was hinted that the ex-Shah's intrigues were favoured by certain high officials. Eventually Sani-ed-Dowleh left the hall without any decision having been reached.

The House did not sit again till the 17th January, on account of the "Moharrem" mourning. A written request of ten deputies was then read for the formation of a committee of the House to enquire with the Ministers into Arabistan affairs. This move is probably connected with the suspicions entertained towards the Sheikh of Mohammerah.

On the 21st January one of the five priests elected in accordance with article 2 of the Constitution of 1907 to "reject Bills contrary to the sacred precepts of Islam," entered a vigorous protest against a proposed Bill introducing a new tax on opium.

At the sitting of the 24th January the Minister of War submitted a project for collecting conscripts from among the tribes. He said that by taking one man from every thirty families, at least 10,000 fighting men could be raised. The matter was referred to a committee.

Nasir-ul-Mulk arrived at Enzeli on the 24th January.

G. P. CHURCHILL, *Oriental Secretary.*

Tabreez.

Quiet has prevailed. An agitation against the Governor-General was begun, but an attempt to find support for it from Tehran having failed, it collapsed.

Meshed.

Sahib-i-Ikhtiar, the new Governor-General, arrived on the 21st December. He is said to be heavily in debt and most corrupt. He has, however, promised to be guided by the two consulates, which are, since M. Gregoriev's assumption of office, acting in the closest co-operation. The general state of the province is much as it was, though the main road to Tehran is reported fairly safe. The trouble at Daragaz has been got over by the appointment of Masud Kkan as governor. This man was the prime cause of the disturbances, and the rebels demanded that he should be made governor. A force of fifty Russian Cossacks with a machine-gun detachment of two guns and twenty-five men arrived at Kuchan early in January. Apparently 100 more Russian Cossacks have been posted on the Russian frontier. Mohammed Ali, Nishapuri, was surrounded in a fort near Tabbas, but, though wounded, escaped. He will probably join Naib Hussein, Kashi, who is moving towards Tabbas from the direction of Yezd. A boycott of Russian goods began in Meshed early in January.

Seistan.

1. Baron Tcherkasoff, the Russian consul, arrived on the 5th December.
2. Major McConaghey handed over charge of the consulate to Major O'Connor, then at Birjand, by telegraph on the 20th December, and left Seistan on the 24th. Major O'Connor arrived at Seistan on the 5th January.
3. Major McConaghey reports that the Afghans are watching the situation in South-Eastern Persia closely. The Baluchis in the neighbourhood of Seistan have lately carried out several successful raids without incurring punishment at the hands of the

Persian Government. The Afghans argue that if the Persians cannot hold these provinces, they, the Afghans, being superior to Baluchis, might well take them over.

4. Two thousand eight hundred and seventy-two cases were treated and seventy operations performed in the consulate hospital during November. Major McConaghey reports that the hospital is a boon not only to Persians but to Afghans, who come even from Herat for treatment. Both Persian and Afghan officials have expressed to him their gratitude for the work done by the hospital, in which over 500 operations were performed during 1910. Major McConaghey has been particularly struck by the good influence politically gained in Seistan by medical work, and urges the retention of an officer of the Indian medical service at Seistan.

5. On the 11th January ten Afghans with twenty-eight camels loaded with arms and ammunition captured two men, one of whom was a telegraph scout, near Baluch-ab, but released them on being persuaded that they were ordinary travellers. The party had come via Bazman and Galugeh. Another party of ninety men was said to be moving south through the Muzarab hills.

Ispahan.

1. Quiet has prevailed in the town and the province. The roads are all reported on the whole safe, but the material condition of the Yezd and Ahwaz roads is said to be very bad. Three robberies, however, have occurred recently, two on the Ahwaz and one on the Tehran road. In two cases the post was robbed, and in the third a caravan belonging to Messrs. Lynch. These robberies are believed to be the work of malcontent Bakhtiaris. Early in January a number of these Bakhtiaris gathered at Dahku, with the avowed intention of attacking Ispahan, but began to disperse on the 8th January. Sardar-i-Mohtesham and Sardar-i-Bahadur, Bakhtiaris, arrived at Ispahan on the 19th January, and left for the Bakhtiari country on the 22nd. Since the 1st January troops for Fars have arrived at Ispahan from Tehran and Hamadan, and the Jelali regiment, in garrison at Ispahan, has also been ordered to Fars.

2. M. Petroff, formerly Russian consul at Kerman, arrived on the 13th January from Yezd.

Yezd.

Zaigham-ed-Dowleh, Kashgai, the new governor, arrived early in December. He has taken over charge of the policing of the roads. He has so far displayed no energy in the administration of the province, but is said to be awaiting the arrival of 200 horsemen, whom he has requested the Kawamis to send him from Fars. During December the Kerman road was almost entirely blocked. A party of 400 Fars robbers seized a building at Shams and, making it their head-quarters, pillaged the district. M. Petroff, lately Russian consul at Kerman, was delayed for a long time at Anar, but reached Yezd safely escorted by a large number of road guards on the 31st December.

Kermanshah.

1. The Turkish consul recently sent a confidential agent to Daoud Khan, Kalhur, to promise him his support in retaining the governorship of Kasr-i-Shirin, Samsam-ul-Mamalek, Sinjahi, during his long tenure of that office, rejected all overtures from the Turks.

2. The Turkish authorities at Khanikin have expelled from that place the agent and carts of Arbab Ali Asker, Persian post and carriage contractor, who is a Russian subject. They have retired to Kasr-i-Shirin.

Kerman.

1. Jelal-ed-Dowleh, the new governor, arrived on the 21st January from Tehran.
2. During December, there were 105 cases of cholera and 50 deaths in Kerman. By the end of the month the disease had disappeared.
3. The roads in the province continued unsafe during December.

Shiraz.

During December interest centred in the condition of the Kazerun road to Bushire. On the 5th December a caravan was attacked at Sineh Sefid by fifteen robbers, Kashgais and Mamasennis, and thirteen mules, four donkeys, and ten loads were carried

off. An escort with the caravan, consisting of thirty gunners with one field gun and thirty-six mounted men, fled at the first shot. One muleteer was severely wounded. A force of 300 mounted men with one gun was subsequently sent to recover the plundered property. Exceptionally early and heavy snow has since guarded the road and caravans continue to pass up and down. It appears that Soulet-ed-Dowleh no longer has much influence in his own tribe. He has not endeavoured to police the road with his own men, but has employed local riflemen. Meanwhile Mohammad Ali Khan, Kashguli, who is suspected of aiming at the chieftainship of the tribe, is said to be instigating robberies on the road. Soulet-ed-Dowleh has been endeavouring to effect a reconciliation with his brother, Soulet-es-Saltaneh, and with Mohammad Ali Khan, Kashguli. The latter enjoys great influence among the Lurs of Western Fars. He recently forcibly released two Farsimadan chiefs, whom Soulet-ed-Dowleh had imprisoned on account of the damage done to the telegraph lines last October by Kashgais. Mr. Christmas recently met Soulet-ed-Dowleh and other Kashgai chiefs at Kazerun. Soulet-ed-Dowleh frankly admitted that he could no longer keep the chiefs faithful except by flattery. He added that they paid no attention to him as they continually expected that Zaigham-ed-Dowleh would be appointed Ilkhani. It is doubtful whether Soulet-ed-Dowleh can succeed in reasserting his lost supremacy without the support of the Government. He is at present at Bushire where he has gone to meet the new governor, Nizam-es-Saltaneh. The Ispahan road has been disturbed by small bands of robbers. On the 8th December, a small caravan, carrying stores to Dehbid for the Indo-European Telegraph Department was robbed near Dehbid. On the 13th December the post was robbed near Sivend by Kourshouis, and at about the same time a caravan of 150 donkeys bringing to Shiraz the produce of Mervdasht was robbed 12 miles north of Shiraz. Later two more posts were robbed, near Khaneh Kergan and Siven respectively. Latest reports state that the country is deep under snow, which makes robberies unlikely. The Kazerun road is said to be normal, while the Ispahan road is hardly being used at all.

PERSIAN GULF.

Bushire.

Soulet-ed-Dowleh, accompanied by 400 Kashgais, arrived at Bushire on the 29th December, 1910. The Khans of Daliki and Borasjun also arrived with 175 men, and Darya Beggi brought in 300 Tangestani and Angali tribesmen. It was reported that Zair Khadder, chief of the Dashtis, had formed an alliance with the chiefs of Angali and Chakutai to resist by force if necessary any attempt of Soulet-ed-Dowleh to interfere in their local affairs. As there appeared to be some likelihood of trouble ensuing, Colonel Cox, who was at Debai, instructed Captain Birdwood to interview Darya Beggi and Soulet-ed-Dowleh separately, to point out the danger of the assembly of so many armed tribesmen in Bushire and to inform them that on the first signs of disorder involving danger to Europeans the same steps would be taken as were taken by His Majesty's ships in April 1909. Colonel Cox returned to Bushire with Admiral Slade on the 2nd January and Nizam-es-Saltaneh arrived on the 10th January. No disturbances have occurred at Bushire.

Mohammerah.

1. With reference to the revolt at Farhan against the sheikh, previously reported, the following information has since come to hand. At the end of November Sheikh Khazaal formulated three demands:—

- (1.) That Agha Rahim should give an undertaking that Farhan would not create trouble; if Farhan did, Agha Rahim to be held responsible.
- (2.) That Sheikh Haider, a dependent of Sheikh Khazaal should be set free.
- (3.) That 4,000*l.* and sixty rifles, due from Farhan, should be handed over to the sheikh, also 140*l.* compensation for a recent robbery from the oil company at Dara Khazina.

These demands were also telegraphed by the sheikh to the Minister of the Interior to Amir-i-Mufakham and to Sardar-i-Mohtesham. The sheikh added that if his demands were not complied with he would place horsemen at certain points on his boundaries and charge the expenses to the central Government. Agha Rahim gave the required undertaking but only until the acting chiefs of the Bakhtiaris should arrive in the low country. Sheikh Haider was set free in Ahwaz on the 29th November. The

third demand remained outstanding. The sheikh's forces razed Dehno to the ground and dispersed, but were towards the end of December summoned again by the sheikh to deal with Farhan, who had returned and was plundering the district inhabited by the adherents of Sheikh Haider. Subsequently the order for their assembly was cancelled but they were to remain mobilised at their homes. Colonel Cox expresses the opinion that the sheikh is probably quite able to look after his interests as far as Farhan and the Bakhtiaris are concerned. He therefore deprecated further representations to the Persian Government.

2. Mishri, whose lands at Faddaghiyeh were looted in October, has received a telegram from Zair Pasha, the Bussorah deputy at Constantinople stating that his complaints would be discussed in Parliament and that he should sue Sheikh Khazaal in the Turkish courts at Bussorah for the recovery of the dates alleged to have been stolen by his subjects.

3. Major Haworth took over charge of His Majesty's Consulate from Lieutenant Wilson on the 15th January, 1911.

C. B. STOKES, Major,
Military Attaché to His Britannic Majesty's
Legation, Tehran.

[5185]

No. 197.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 10.)
Sir,

Tehran, January 26, 1911.

WITH reference to previous correspondence and in particular to my telegram No. 23 of yesterday, I have the honour to transmit copies of documents which form the complete dossier of the correspondence between His Majesty's Legation and the Persian Government on the subject of Muin-ut-Tujjar's contract of 1908 with Messrs. Andrew Weir and Co. for the exclusive supply of red oxide from the Island of Hormuz.

Copy of the note from the Persian Government of the 1st June last was sent to you by Mr. Marling in his despatch No. 88, but I enclose it now for facility of reference.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 197.

Sir G. Barclay to the Persian Government.

Excellency,

Tehran, August 8, 1909.

A RUMOUR having reached me that it is intended to cancel Muin-ut-Tujjar's concession for mining in the Island of Hormuz, I have the honour to inform your Excellency that Muin-ut-Tujjar is bound by contract to supply a certain quantity of oxide from Hormuz to a British firm.

In these circumstances, it is my duty to urge strongly upon the Persian Government the necessity of respecting its engagements with Muin-ut-Tujjar on which the British firm's contract is based.

I avail, &c.
G. BARCLAY.

Inclosure 2 in No. 197.

Sir G. Barclay to the Moaven-ed-Dowleh.

Excellency,

Tehran, April 11, 1910.

I HAVE the honour to recall your Excellency's attention to my note of the 8th August last, in which I impressed upon the Persian Government the necessity of respecting its engagements with Muin-ut-Tujjar, on which was based Muin-ut-Tujjar's contract for the supply of oxide from Hormuz to a British firm.

I now learn that the Persian Government have cancelled Muin-ut-Tujjar's concession for mining in Hormuz, thus rendering it impossible for Muin-ut-Tujjar to fulfil his contract with the British firm.

In these circumstances, I must request your Excellency to take the necessary steps to safeguard the interests of the British firm, and I beg to inform you that His Majesty's Government must insist on the maintenance of this firm's contract, whoever obtains the concession for mining in Hormuz.

I avail, &c.
G. BARCLAY.

Enclosure 3 in No. 197.

Sir G. Barclay to the Moaven-ed-Dowleh.

Excellency,

Tehran, April 12, 1910.

WITH reference to my note of yesterday, I have the honour to inform your Excellency that I learnt that the Persian Government have taken over the mining of oxide in Hormuz, and have signed a contract with Messrs. Strick and Co. to supply them with 5,000 tons of oxide from Hormuz.

This transaction is in violation of a contract concluded between Muin-ut-Tujjar and Messrs. Andrew Weir and Co., a British firm, for the exclusive supply of a fixed quantity of oxide from Hormuz for a fixed period.

The contract was based on an Imperial firman granting to Muin-ut-Tujjar the concession of mining rights in Hormuz, and I must therefore hold the Persian Government responsible for all loss caused to Messrs. Andrew Weir and Co. by the cancellation of Muin-ut-Tujjar's concession, and I must insist on the maintenance of Messrs. Andrew Weir and Co.'s contract by the Persian Government now that they have taken over the working of the mines.

I avail, &c.
G. BARCLAY.

Enclosure 4 in No. 197.

Sir G. Barclay to the Moaven-ed-Dowleh.

M. le Ministre,

Tehran, April 15, 1910.

I NOW learn that the proposed shipment of oxide from Hormuz for Messrs. Strick and Co., besides being an infringement of Messrs. Weir's rights, will cause the latter firm heavy loss.

Muin-ut-Tujjar's contract provided that for three years from the 4th December, 1908, no sale or shipment of oxide from Hormuz should be made to any firm but to Messrs. Weir, and Muin-ut-Tujjar is also under engagement to Messrs. Weir to ship the oxide himself in order that the quality may be assured.

I am to inform you that His Majesty's Government are bound to see that Messrs. Weir's rights are respected.

I avail &c.
G. BARCLAY.

Enclosure 5 in No. 197.

Sir G. Barclay to the Moaven-ed-Dowleh.

M. le Ministre,

Tehran, April 16, 1910.

I HAVE reported to my Government the circumstances connected with the sale of Hormuz oxide to Messrs. Strick, and I am instructed to inform your Excellency that His Majesty's Government will hold the Persian Government liable in damages for any losses caused to British subjects through the violation of Muin-ut-Tujjar's contract with Messrs. Weir.

I avail, &c.
G. BARCLAY.

Enclosure 6 in No. 197.

The Moaven-ed-Dowleh to Sir G. Barclay.

(Translation.)

Tehran, April 16, 1910.

THE contents of your Excellency's notes of the 11th and 15th instant respecting the sale of oxide stated to have been concluded between the Muin-ut-Tujjar and Messrs. Weir have been referred to the Ministries of Finance and the Public Works, and asked for an explanation.

Any answer which I may receive on the subject will be communicated to your Excellency.

I avail, &c.

MOAVEN-ED-DOWLEH.

Enclosure 7 in No. 197.

The Moaven-ed-Dowleh to Sir G. Barclay.

(Translation.)

Tehran, April 21, 1910.

WITH reference to my reply of the 16th instant respecting the 5,000 tons of oxide stated to have been purchased by Messrs. A. Weir from the Muin-ut-Tujjar, I have the honour to quote the reply I have received from the Ministry of the Public Works on the subject:—

"For the present the matter is being discussed with the Muin-ut-Tujjar himself, and in the meantime the arrangements made by him with the British firm will be respected."

I avail, &c.

(For Minister for Foreign Affairs),
ESMAIL.

Enclosure 8 in No. 197.

Mr. Marling to the Moaven-ed-Dowleh.

Your Excellency,

Tehran, April 27, 1910.

HIS Majesty's Government have been informed that the steam-ship "Pondo" is at present engaged in loading oxide on the Island of Hormuz.

Under instructions from my Government, I have the honour to point out to your Excellency that such shipment constitutes a violation of the contract entered into by the British firm of Messrs. A. Weir and Co. with the Muin-ut-Tujjar, and I have accordingly to remind your Excellency of the note of protest in Messrs. Weir's interests addressed to you by Sir G. Barclay on the 16th instant.

I avail, &c.

CHARLES M. MARLING.

Enclosure 9 in No. 197.

The Moaven-ed-Dowleh to Mr. Marling.

(Translation.)

Tehran, June 1, 1910.

IN reply to your notes of the 16th and 27th April last respecting the sale of oxide in Hormuz, and the transaction entered into by the Muin-ut-Tujjar with Messrs. Weir, I have the honour to inform you that the matter was discussed with the Ministry of Finance, and the following is the purport of the reply received from that Ministry.

The transaction was entered into by the Persian Government with Frank Strick for the sale of 30,000 tons of oxide of iron through Mr. Brown, the assistant manager of the Imperial Bank of Persia.

According to a document given to the Government, Messrs. Strick have efficiently guaranteed that all the claims of Messrs. Ellinger against the Muin-ut-Tujjar or against the Persian Government on account of the above should be settled by them.

The contents of the note of the Ministry of Finance show that the company will have no ground to claim any damages, and I therefore consider the question closed.

I avail, &c.

(For Minister for Foreign Affairs),

SEKAT-UL-MULK.

Enclosure 10 in No. 197.

Mr. Marling to the Moaven-ed-Dowleh.

Your Excellency,

Tehran, June 3, 1910.

I HAVE the honour to acknowledge receipt of your note of the 1st June respecting the transaction entered into by the Persian Government with Messrs. Strick for the sale of oxide in Hormuz, and the incidence of claims arising therefrom.

I avail, &c.

CHARLES M. MARLING.

Enclosure 11 in No. 197.

Sir G. Barclay to the Moaven-ed-Dowleh.

M. le Ministre,

Tehran, November 28, 1910.

I UNDERSTAND that a contract has now been signed by the Persian Government with Messrs. Strick for the sale of a certain quantity of oxide from Hormuz.

I have more than once had occasion to draw your attention to the liability incurred by the Persian Government through a violation of Muin-ut-Tujjar's contract with the British firm, Messrs. Weir, for the exclusive supply of oxide from Hormuz.

It has since come to my knowledge that the Persian Government maintain that Muin-ut-Tujjar's concession, on which was based his contract with Messrs. Weir, was invalid.

I am now instructed to inform your Excellency that unless the Persian Government can produce proof satisfactory to His Majesty's Government that Muin-ut-Tujjar's concession had expired before the signature of his contract with Messrs. Weir, His Majesty's Government must continue to hold the Persian Government responsible for any injury to British interests through their action in violation of the said contract.

I avail, &c.

G. BARCLAY.

Enclosure 12 in No. 197.

The Mohtashem-es-Sultaneh to Sir G. Barclay.

(Translation.)

Excclency,

Tehran, January 24, 1911.

IN reply to your Excellency's note of the 16th December last respecting the Persian Government's agreement with Strick and Co. for the sale of red oxide, it is necessary that I should draw your Excellency's attention to the following point: When concluding the contract with Strick and Co. the Persian Government considered the Muin-ut-Tujjar's lease to have expired; furthermore, in article 12 of the contract with Strick and Co. it is stipulated that the purchaser undertakes full responsibility to settle any legal claim which Andrew Weir and Co. or Ellinger and Co. might have against the seller or against Muin-ut-Tujjar, in virtue of the existing agreement regarding oxide concluded between Muin-ut-Tujjar and Andrew Weir and Co., so that no kind of loss should be sustained on this account by the Government or by Muin-ut-Tujjar.

In these circumstances, you admit that if Andrew Weir and Co. have anything to say, Strick and Co. must, in accordance with the above-mentioned article, be responsible.

I avail, &c.

MOHTASHEM-ES-SULTANEH.

[5186]

No. 198.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 11.)

Sir,

Tehran, January 26, 1911.

WITH reference to your despatch No. 197 of the 13th ultimo, I have the honour to transmit herewith a bill on the Imperial Bank of Persia for the equivalent of 3,000 tomans, which I have accepted from the Persian Government as a compassionate grant in settlement of the claim presented to the Persian Government on account of the killing of the two Indian sowars of Mr. Bill's escort by tribesmen on the Shiraz-Ispahan road last spring.

I regret that I was unable to obtain more than this sum. The exact amount had not been agreed upon in my conversation with Hussein Kuli Khan, who wished me to propose to you a settlement on the basis of 2,000 tomans. This I refused to do, mentioning at the same time 4,000 tomans as a less unacceptable sum. To this he demurred, urging that the amount ought to depend on the size of the families of the murdered men.

I cannot therefore say that Hussein Kuli Khan was committed to any precise sum, and when I broached the matter to his successor, Mohtashem-es-Saltaneh, the latter adhered to the figure of 2,000 tomans. After some discussion, I agreed to accept the sum of 3,000 tomans if paid within a week.

As you are aware, the late Minister for Foreign Affairs expressed his deepest regret for the occurrence in his note of the 13th October last.

I ought to mention that, since I agreed to a settlement on the basis of 3,000 tomans, the Russian Minister has received in full the payment of his claim on account of the attack on M. Passek. The two cases are, however, not altogether on all fours, and the Persian Government had admitted its liability in the case of the attack on M. Passek, whereas it has always refused to do so in the case of the attack on Mr. Bill. I trust therefore that the settlement I have come to will meet with your approval.

I have, &c.
G. BARCLAY.

[5187]

No. 199.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 12.)

Sir,

Tehran, January 26, 1911.

WITH reference to Sir G. Buchanan's telegram No. 16 of the 17th instant, I have the honour to report that at interviews which we had yesterday with the Minister for Foreign Affairs my Russian colleague and I drew the attention of his Excellency to the representations regarding the engagement of foreign assistants which we had made to his predecessor on the 27th September last. (See my telegram No. 392.)

Mohtashem-es-Saltaneh replied to me that after what had happened—he evidently referred to the unfavourable response encountered by the Persian Government's applications to the Italian and French Governments—I could feel assured that there was no likelihood of Persia applying again to any of the Great Powers.

My Russian colleague tells me that Mohtashem-es-Saltaneh gave him, too, to understand that there need be no apprehension of further applications of the kind to any of the European Great Powers.

I have, &c.
G. BARCLAY.

[5189]

No. 200.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 14. Confidential.)

Sir,

Tehran, January 26, 1911.

WITH reference to my despatch No. 179 of the 21st September last respecting a Russian concession on the Karun, I have the honour to report that His Majesty's consul at Ahwaz informs me, with reference to his despatch No. 61 of the 1st

August last, enclosed in Mr. Marling's despatch No. 149, Confidential, of the 11th August, that he learns from a reliable source that if no work is done on the Husseinabad lands before the 31st March of this year, the lease becomes null and void. Mr. Ranking adds that his information is to the effect that no one was working there so recently as the 10th January.

From a secret source I learn that Abbas Agha is at present in St. Petersburg and his partner here, but that the latter's family does not view the undertaking favourably.

I have, &c.
G. BARCLAY.

[5153]

No. 201.

Sir G. Buchanan to Sir Edward Grey.—(Received February 13.)

(No. 32. Confidential.)

Sir,

St. Petersburg, February 6, 1911.

WITH reference to your despatch No. 24 of the 23rd ultimo, I have the honour to report that I communicated to the Minister for Foreign Affairs this afternoon the information which you had received from His Majesty's Ambassador at Paris respecting the ex-Shah of Persia.

M. Sazonow said that His Majesty had been repeatedly warned by the Russian representatives abroad that if he engaged in intrigues with a view to returning to Persia he would forfeit the pension which he at present enjoyed. His Excellency added that he would act on your suggestion, and warn the competent authorities to increase the vigilance of their watch on His Majesty's movements after his return to Russia.

I have, &c.
GEORGE W. BUCHANAN.

[5155]

No. 202.

Sir G. Buchanan to Sir Edward Grey.—(Received February 13.)

(No. 34.)

Sir,

St. Petersburg, February 7, 1911.

IN a conversation which I had with the Minister for Foreign Affairs, on the 30th of last month, his Excellency spoke to me in a much more hopeful strain with regard to Persian affairs, and expressed satisfaction at the fact that many of the questions pending between the two Governments were now in a fair way of settlement. He hoped, he said, soon to be in a position to withdraw the Russian troops from Kasvin, and was, indeed, only waiting for a reply to a telegram which he had sent M. Poklewsky to give the order for their withdrawal. It would, he thought, be well for Russia to give the Persian Government this proof of their disinterestedness at the present moment, as he was much pre-occupied by the activity being displayed by the Turks in the frontier districts; 500 men had recently been despatched to Sulduz, which was, beyond the shadow of a doubt, in Persian territory, and some step would soon have to be taken at Constantinople with a view to preventing further Turkish encroachments. As his Excellency expressed the hope that His Majesty's Government would co-operate with the Russian Government on this question, I repeated to him the assurances which I had given him on the receipt of your telegram No. 6 of the 4th January, to the effect that His Majesty's Government would gladly support Russian representations at Constantinople with regard to the Turco-Persian frontier question. M. Sazonow also expressed to me some misgivings as to a report which had reached him that the Young Turks were endeavouring to effect a *rapprochement* with the Persians for the purpose of concerting common action against England and Russia.

In a further conversation which I had with his Excellency, after receiving your telegram No. 17 of the 31st ultimo, I endeavoured once more to impress on him the expediency of at once withdrawing the Russian troops from Kasvin; but as his Excellency had still received no reply from M. Poklewsky, he had nothing to add to what he had already told me on the subject. On my remarking that the withdrawal of these troops would greatly strengthen our position whenever we decided to make

representations at Constantinople with regard to the Turco-Persian frontier question. M. Sazonow contended that there was no analogy between the two cases, as the Turks were actually administering the occupied districts as if they belonged to the Sultan, and were transforming their consular officers into kaimakams.

On calling on his Excellency yesterday I told him that Sir George Barclay had telegraphed that M. Poklewsky did not appear to have received any explicit instructions to report his views with regard to the withdrawal of the Kasvin troops, independently of the motor-car concession question. M. Sazonow replied that M. Poklewsky must have misunderstood his instructions. He had telegraphed to him saying that now that the motor-car question was the only one about which there still existed any doubt he was anxious to withdraw the troops as soon as he could find a convenient pretext, and that he would like to have his views on the subject. On my asking him whether he would mind sending M. Poklewsky another telegram, his Excellency at once promised to do so.

In the course of our conversation I told M. Sazonow that the Turkish Ambassador, on meeting me at a party the other night, had complained of the severe terms in which his Excellency had recently spoken to him of Turkish encroachments on Persian territory, and had appealed to me for my sympathy. I had, I added, informed Turkhan Pasha that, though I was not acquainted with what M. Sazonow had actually said to him, I was entirely at one with his Excellency in condemning what appeared to me to be an unwarranted occupation of Persian frontier districts. M. Sazonow replied that he was very glad that I had said this: that he had had a very serious conversation with Turkhan Pasha a few days ago, and had told him that if the Turkish troops continued to advance in the way they were doing at present they would one day find themselves confronted by Russian bayonets.

I have, &c.

GEORGE W. BUCHANAN.

[5156]

No 203.

Sir G. Buchanan to Sir Edward Grey.—(Received February 13.)

(No. 35.)
Sir,

St. Petersburg, February 7, 1911.

IN a conversation which I had with the Minister for Foreign Affairs on the 30th of last month, his Excellency told me that he was very averse to the idea of the employment of American advisers by the Persian Government. On my reminding him that he had last September waived the objections which he had previously made to their engagement, and had accepted our view that, as the United States was not a European Great Power, they stood on quite a different footing to either France or Germany, his Excellency said that he was afraid that, after what had recently passed on the subject of foreign advisers, Germany would at once demand the employment of a German were any Americans to be engaged.

On my communicating to him two days later the substance of your telegram No. 18 of the 31st ultimo, his Excellency said that he had not forgotten that we had informed the Persian Government last September that we would raise no objections to American advisers on account of their not being the subjects of a European Great Power, but that now that Germany had so clearly manifested her intention of putting forward a German for the post of adviser to one of the Persian Ministries, she would pay no attention to anything we might say with regard to the disinterestedness of the United States in Persian affairs. It would therefore be far safer to restrict the choice of the Persian Government to the minor Powers, as the appointment of a German adviser would inevitably lead to the establishment of an international administration in Persia, and would consequently entail every sort of difficulty and complication. He had already telegraphed to M. Poklewsky in the above sense, and he would be very grateful if you would act as you had suggested, and enquire unofficially at Washington whether the United States Government attached any importance to the appointment of American advisers.

On the receipt of your telegram No. 32 of the 4th instant, I informed M. Sazonow that His Majesty's Ambassador at Washington strongly deprecated the idea of addressing any such enquiries to the United States Government, and that now that the engagement of American advisers had been definitely decided on by the Persian Government it was, in your opinion, too late to reopen the question. M. Sazonow said that he shared this view, though he could not but regret the step which the Persian

Government were taking. He was afraid that it would create a precedent of which Germany might avail herself to put forward a German candidate for the post of adviser to one of the Persian Ministries; and in that case, we should have to bring strong pressure to bear on the Persian Government to prevent such an appointment being made.

I have, &c.

GEORGE W. BUCHANAN.

[5386]

No. 204.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 46. Very Confidential.)
(Telegraphic.) P.

Tehran, February 13, 1911.

INTERNATIONAL syndicate.

Reference to your telegram No. 48, dated the 10th February.

A concession for a railway in the region covered by the Persian Transport Company's road concession formed part of the scheme as described to me.

Lynch's agent, who gave me the information, but who does not wish his name to appear, believed that Lynch's interests were seriously threatened and seemed to be very alarmed.

Manager of Imperial Bank, Tehran, now thinks that there was little or no truth in the story; in this opinion I am disposed to agree. I shall, however, watch Osborne in the meantime.

[5396]

No. 205.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 48.)
(Telegraphic.) R.

Tehran, February 13, 1911.

RUSSIAN Minister informs me that party of Russian Cossacks has been attacked, one man killed and two or three wounded, by Galish tribe near Astara, on Ardebil road. Small Russian detachment is being sent from Ardebil to deal with situation.

Russian Minister thinks that it may also be necessary to hold a further force in readiness at Russian Astara.

[5397]

No. 206.

Sir G. Barclay to Sir Edward Grey.—(Received February 13.)

(No. 49.)
(Telegraphic.) R.

Tehran, February 13, 1911.

MY telegram No. 44 of 12th February.

In a speech of two hours, Regent opened his mind to a full meeting of Medjliss summoned to palace yesterday afternoon.

His Highness impressed on members that constitutional government on lines hitherto followed with Medjliss split up into small groups by personal dissensions was impossible. A stable majority united in principle of supporting Ministry was indispensable, and he made it clear that he would not take up his post unless such a majority was formed.

It is expected that there will be another meeting in a day or two, when Medjliss will reply to Regent's terms.

In alluding to foreign relations, [group omitted: ? Regent] stated he had received the foreign Ministers in unofficial audience, and was entirely satisfied as to the friendly attitude of all the Powers, and he laid particular stress on good-will expressed by Great Britain and Russia. The Medjliss therefore need feel no concern on the score of foreign relations.

[5395]

No. 207.

Sir G. Buchanan to Sir Edward Grey.—(Received February 13.)

(No. 37.)

(Telegraphic.) P.

St. Petersburg, February 13, 1911.

RUSSIAN troops at Kazvin.

Telegram No. 45 from Tehran.

M. Sazonow told me to-day that matters had now gone too far for him to postpone the withdrawal. Only one sotnia of Cossacks would remain at Kazvin.

[5539]

No. 208.

*Persian Transport Company to Foreign Office.—(Received February 14.)**3, Salter's Hall Court, Cannon Street, London,**February 11, 1911.*

Sir,

WE have the honour to acknowledge the receipt of your letter of the 7th instant, from which we note that His Majesty's Government do not recommend our invoking, in the present position of the question, the assistance of His Majesty's Legation in obtaining an extension of the period of the company's concession for the construction of roads in Persia.

Under these circumstances, my board have telegraphed as follows to their agents in Tehran:—

"The Foreign Office inform us that His Majesty's Ambassador at Tehran considers assistance the British Legation at present stage would seriously prejudice our prospects. Make application without giving matter any diplomatic or political colour."

We have, &c.

H. W. MACLEAN, *Secretary.*

[5526]

No. 209.

The Imperial Bank of Persia to Foreign Office.—(Received February 14.)

Sir,

25, Abchurch Lane, London, February 13, 1911.

HAVE the honour to acknowledge the receipt of your letter of the 11th instant, and we have telegraphed to-day to the chief manager of the bank in Tehran, as per translation of telegram enclosed, approving the proposal that the bank's manager at Bushire may act at that port as Norwegian consul.

I have, &c.

G. NEWELL, *Manager.*

Enclosure in No. 209.

Imperial Bank of Persia, London, to Imperial Bank of Persia, Tehran.

(Translation.)

(Telegraphic.)

London, February 13, 1911.

IN consultation with Foreign Office, we fully approve Bushire manager acting Norwegian consul, Bushire.

[5554]

No. 210.

Sir G. Barclay to Sir Edward Grey.—(Received February 14.)

(No. 47.)

(Telegraphic.) P.

Tehran, February 14, 1911.

WITH reference to your despatch No. 206 and Mr. Norman's private letter of the 28th December regarding article 10 of the Imperial Bank's concession, I cannot see how the article in question can bear the interpretation put upon it in your above despatch, and the Persian Government will not, I think, agree to it.

I shall support the bank without, however, giving my reasons for the present, but as it is certain that the Persian Government will ask for them, I should be glad to know whether your decision as to the meaning of the article is a final one.

[5667]

No. 211.

Sir G. Barclay to Sir Edward Grey.—(Received February 15.)

(No. 50.)

(Telegraphic.) R.

Tehran, February 15, 1911.

MINISTER for Foreign Affairs tells me that Medjliss will reply to Regent [on] 16th February.

It is generally believed that reply will show that there is a majority for a Cabinet under Sipahdar.

[5554]

No. 212.

Sir Edward Grey to Sir G. Barclay.

(No. 53.)

(Telegraphic.) P.

Foreign Office, February 15, 1911.

ARTICLE 10 of bank's concession.

Your telegram No. 47 of the 14th February.

Bank have unreservedly accepted our interpretation, but if you will explain your difficulty more precisely, I will endeavour to make my meaning clearer.

Do you consider there is any warrant for interpretation given to article by Muin-ut-Tujjar?

[5144]

No. 213.

Sir Edward Grey to Sir G. Buchanan.

(No. 42.)

Sir,

Foreign Office, February 15, 1911.

I HAVE received your Excellency's telegram No. 34 of the 11th February relating to the withdrawal of the Russian troops from Kazvin. Your Excellency should take an early opportunity of expressing to M. Sazonow the great satisfaction of His Majesty's Government at this decision of the Russian Government.

I am, &c.

E. GREY.

[6056]

No. 214.

Sir Edward Grey to Sir G. Barclay.

(No. 23.)

Sir,

Foreign Office, February 16, 1911.

THE Persian Minister called to-day and stated that he was instructed by the Persian Government to thank his Majesty's Government for the reference to Persia in the King's Speech, which was a great encouragement to them.

I am, &c.

E. GREY.

[5915]

No. 215.

Treasury to Foreign Office.—(Received February 17.)

Sir,

Treasury Chambers, February 16, 1911.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Mallet's letter of the 31st December last and the accompanying copy of a despatch from His Majesty's Minister at Tehran, in which is enclosed a report from His Majesty's consul-general at Bushire recommending the permanent maintenance of an escort of four men for His Majesty's consulate at Mohammerah.

In reply, I am to state that in the circumstances represented by Secretary Sir E. Grey, my Lords agree to defray from Imperial funds within a limit of 2,015 rupees one-half of the cost involved in this proposal.

I am, &c.
T. L. HEATH.

[5877]

No. 216.

Anglo-Persian Oil Company to Foreign Office.—(Received February 17.)

*Winchester House, Old Broad Street, London,
February 16, 1911.*

Sir,

I HAVE the honour to refer again to your letter of the 2nd instant, and to my interview on the subject with Mr. Louis Mallet and Mr. Norman on the 10th instant.

I have to-day received a telegram from Persia, intimating that Mr. Greenway (our Managing director) and Mr. James Hamilton (another of our directors), now in Persia, have arranged—

1. To absorb Mr. Ritchie into the office of Messrs. Strick Scott and Co. (our Persian agents), who will open a branch office at the Maidan-i-Naphtun oilfield under Mr. Ritchie;

2. To appoint to the position of general fields manager (but without the plenary powers entrusted to Mr. Reynolds) Mr. C. Willans, who has hitherto held the position of assistant fields manager under Mr. Reynolds; and

3. To appoint Dr. M. Y. Young in a position independent of Messrs. Ritchie and Willans as political adviser responsible directly to the company through its agents' head office in Mohammerah.

Messrs. Greenway and Hamilton's telegram goes on to say that they have seen both "the political resident, Persian Gulf" (which term I take it applies to Colonel P. Z. Cox, His Majesty's consul-general at Bushire), and the "British consul" (whether Lieutenant Ranking, of Ahwaz, or Lieutenant Wilson, at Mohammerah, does not appear clear), and that these officers approve of the arrangement.

I trust, therefore, that it will also meet with your approval, and I have every confidence of its working satisfactorily. If you desire to see me on the subject I shall be glad to answer your summons either by letter or telephone.

I have, &c.

E. W. WALLACE.
Vice-Chairman.

[6067]

No. 217.

Sir G. Barclay to Sir Edward Grey.—(Received February 18.)

(No. 51.)

(Telegraphic.) P.

Tehran, February 18, 1911.

WITH reference to your telegram No. 53, I understood from Mr. Norman's private letter that the interpretation put by you upon article 10 of the bank's concession was only given provisionally.

If it had been intended that the article in question should be applied only when differences as to the interpretation of the terms of the concession arose, then just as in articles of a like nature in other concessions, e.g., the D'Arcy concession, such intention should have been expressly stated.

Bank manager and myself both think that the Persian Government will not agree with your view as expressed in the penultimate paragraph of your despatch No. 206; indeed they will probably not agree with my view, given in my despatch No. 208, even if you confirm it, but it might perhaps be better to adhere to it as it has already been communicated to them.

Muin's interpretation is warrantable and is strictly liberal, and the only reason I can adduce for the framing of this article is that when the concession was drawn up the Persian tribunals were even more unsatisfactory than at present, and that the concessionnaires preferred that all disputes should be settled by arbitration.

[6082]

No. 218.

Sir G. Barclay to Sir Edward Grey.—(Received February 19.)

(No. 52.)

(Telegraphic.) R.

Tehran, February 19, 1911.

MY telegram No. 50 of 15th February.

Reply sent to Regent by Medjliss [on] 16th February was vague and inconclusive, and so far Medjliss has been unable to evolve majority to support any candidate for Premiership.

Mustaufi-ul-Mamalek's Cabinet, whose resignation though twice tendered has not been accepted by Regent, is carrying on.

[6168]

No. 919.

Sir G. Lowther to Sir Edward Grey.—(Received February 20.)

(No. 104.)

Sir,

Constantinople, February 15, 1911.

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Bussorah, reporting on theft of the Persian Oil Company's pipes, and also on an article from the local newspaper "Reshad," directed against that company.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 219.

Consul Crow to Mr. Marling.

(No. 2.)

Sir,

Bussorah, January 18, 1911.

MY attention has been drawn to an article which appeared on the 28th December (10th January) in the "Reshad," a weekly newspaper published at Bussorah. As copies of all papers published here are submitted to the Government authorities before going to press it is natural to suppose that the vali was aware of the contents of the article, and either neglected or did not think it worth while to cause any modification to be made to the hostile tone of the writer towards us, or to correct his misstatement of facts in regard to British enterprises in Persia. I enclose the paper. The article contains much nonsense not worth translating, and a brief summary of its contents is perhaps sufficient, as follows:—

"The British Government interferes with Turkish commercial matters by financing companies formed in Turkey with a view to carry out their own designs in the companies' name, as they have done in India. British ambition has increased, and their Government has tried without success to get concessions in Arabia. Having obtained a concession from the Persian Government for working oil in Abadan, the British Government makes this a pretext for laying down rails, &c., and landing arms, ammunition, cannon, and soldiers, and for establishing British subjects there, and afterwards they will bring their men-of-war. These things are done and our politicians remain deaf, or fail to realise the serious position. This concession which the British Government has obtained is harmful to our country, and seriously affects the political situation. The British consul at Bussorah takes advantage of these circumstances to accuse the peasants at Dowasir [*sic*] of stealing some iron pipes from Abadan, though such a theft is impossible. Let the English withdraw the teeth of their ambition from our country. Is the wise consul not ashamed to accuse innocent peasants in the desert of such acts?"

I think misleading articles of this kind may do us considerable harm here, by prejudicing the minds of ignorant people against us. It is a fact that early last December, Lieutenant Wilson drew my attention to a theft by Arabs at Ziadiyah, on the Turkish side, opposite Breym, of some of the new iron pipes belonging to the Anglo-Persian Oil Company. The company's agents identified the pipes found at Ziadiyah as belonging to their oil pipe line, and I applied to the vali officially to have them restored. For the past two months the vali has evaded doing so, and refused my request to allow the European works manager of the company to accompany the police

in their investigation at Ziadiyeh, in order to identify the pipes in their presence, and confined himself to taking the opinion of a Persian employé of the company on the subject. I am still in communication with the vali, but I see little chance of recovering them unless he is moved to act in the matter from Constantinople. The vali contends that the pipes claimed by the company were purchased some time ago by the proprietor of the land at Ziadiyeh from a Jew. As they appear to be, according to the account given me by the company's representatives, identical in marks and size with those forming part of the oil pipe line, the contention is obviously erroneous.

I am somewhat surprised to see that a reference to the theft and my representations has been made in an Arabic local paper, as my communications to the vali on the subject have been of a purely official character, and the question is still the subject of correspondence between us. If, as I must suppose, the vali has allowed the matter to be communicated to the press, his conduct is obviously incorrect, and notice may perhaps be taken of it.

I have, &c.
F. E. CROW.

[6200] No. 220.

Sir G. Buchanan to Sir Edward Grey.—(Received February 20.)

(No. 40.)
Sir,

St. Petersburg, February 16, 1911.

THE St. Petersburg press generally welcomes the announcement of the withdrawal of the Russian force from Kazvin, but the "Novoe Vremya" sounds a warning note. In a leading article in its issue of the 13th February, after acknowledging the political wisdom of the move and its opportuneness as evidence of Russia's confidence in the new Regent, it goes on to say that if Russian forces are ever compelled again to proceed to the central provinces of Persia in order to preserve order, their visit will be of a very different character. The Russian nation cannot be expected to act as a permanent foster-mother to her neighbour.

The article then congratulates the Russian troops on their admirable behaviour, which it contrasts with the action of the Turkish military authorities in the province of Urumia, where Turks have interfered in the local administration. The withdrawal of the Kazvin force effectively puts an end to all cause for suspicion of Russian designs on North Persia. The article closes with a repetition of its warning that Persia must not expect a second Russian expedition, if such should be rendered necessary by a continuance of disorders, to be withdrawn quietly at the end of two years.

In the second article, published on the 14th February, the "Novoe Vremya" refers to the Russian forces which still have to be maintained at Ardebil and Tabreez. The withdrawal of these troops is even more desirable than that of the Kazvin force, for these places are near the Russian frontier, and any troubles arising there at once have their echo in the Caucasus. Unfortunately, fresh disorders have just broken out in the Ardebil district, and the force there, instead of packing up for home, are preparing for a punitive expedition. Would it not be advisable, the paper asks, instead of withdrawing the Kazvin troops from Persia altogether, to send them to aid their comrades at Ardebil?

The "Bourse Gazette" of the 14th February says that the withdrawal of the Kazvin force is the best possible proof of the falseness of the libel sedulously spread by so-called Persian patriots in the English and French press, charging Russia with hostility to the constitutional régime in Persia.

The time is approaching when Persia will find herself engaged in serious negotiations with European Powers, and when Germany comes forward with her claims the struggle for influence in the land of the Shahs will become acute. Then Persia may find a valuable support in her old friend and neighbour Russia, if she will only remember that the latter is compelled by her position in Central Asia to safeguard very important political interests.

I have, &c.
GEORGE W. BUCHANAN.

[6511] No. 221.

Sir G. Barclay to Sir Edward Grey.—(Received February 21.)

(No. 55.)

(Telegraphic.) P.

Tehran, February 21, 1911.

I AM informed by manager Imperial Bank, Tehran, that he has received an application for an advance of 120,000 tomans from Persian Government. A portion of the money is urgently required for the troops dispatched to Shiraz, who are a menace to security in that town while they remain unpaid.

Head Office will, I hope, see no objection to acceding to request of Persian Government.

Until new Cabinet is formed no progress can be made with loan.

[6512] No. 222.

Sir G. Barclay to Sir Edward Grey.—(Received February 21.)

(No. 56.)

(Telegraphic.) R.

Tehran, February 21, 1911.

YOUR telegram No. 23 of 30th January.

His Majesty's consul at Mohammerah reports that oil company has relinquished any idea of boring at Ahwaz.

[6067] No. 223.

Sir Edward Grey to Sir G. Barclay.

(No. 56.)

(Telegraphic.) P.

Foreign Office, February 22, 1911.

YOU may adhere to line which you have taken with regard to article 10 of the Imperial Bank's concession (see your telegram No. 51 of the 18th February).

[6511] No. 224.

Sir Edward Grey to Sir G. Barclay.

(No. 58.)

(Telegraphic.) P.

Foreign Office, February 22, 1911.

WE have no objection to proposed advance to Persian Government by Imperial Bank (see your telegram No. 55 of the 21st February).

[5186] No. 225.

Foreign Office to India Office.

Sir,

Foreign Office, February 22, 1911.

I AM directed by Secretary Sir Edward Grey to inform you that he forwarded to His Majesty's Minister at Tehran a copy of your letter of the 13th December last relative to the attack on Mr. Bill by tribesmen on the Shiraz-Ispahan road, giving him discretion to endeavour to effect a settlement on the lines therein proposed of the question of the amount of the compensation to be paid for the murder of the two sowars killed on that occasion.

I am to transmit to you herewith copy of a despatch from Sir G. Barclay,* forwarding a bill on the Imperial Bank of Persia for the equivalent of 3,000 tomans, which he has accepted from the Persian Government in settlement of this claim.

I am to state that, in Sir E. Grey's opinion, Sir G. Barclay did well to accept this sum in the circumstances described in this despatch.

I am accordingly to propose that his action should be approved.

I am, &c.

LOUIS MALLET.

[6679]

No. 226.

Mr. Bryce to Sir Edward Grey—(Received February 23.)(No. 42.)
Sir,

Washington, February 14, 1911.

WITH reference to my telegram No. 13 of the 27th ultimo, I have the honour to report that it is announced in the press that Mr. W. Morgan Shuster, of Washington, has been appointed Treasurer-General of the Persian Empire.

In addition to this post, there will, it is said, be an American inspector and expert accountant to serve as assistants to the Treasurer-General, and Director of Taxation with one assistant. These officials will be under the direction of the Persian Minister of Finance, and their contracts will be for a minimum period of three years. It is expected that the names of these officials will be announced shortly.

Mr. Shuster has been in the United States Customs in Cuba and the Philippines, and had charge of the reorganisation of the Philippines Customs Service. In 1906 he was appointed Secretary of Public Instruction to the Philippine Islands and a member of the Philippine Commission. He is further a member of the bar of the Supreme Court of the United States and of the Federal Court of Customs Appeals.

I have, &c.

JAMES BRYCE.

[6827]

No. 227.

Sir G. Barclay to Sir Edward Grey—(Received February 23.)

(No. 57.)

(Telegraphic.) P.

Tehran, February 23, 1911.

TURCO-PERSIAN frontier.

Information has been received from Russian consul at Urmia that two fresh battalions of Turkish troops have recently arrived in the Solduz district.

In this region there are now, according to the estimates of Russian consul-general at Tabreez, four Turkish battalions and six mountain guns; while in various places on the Urmia-Khoi road there are three further battalions of Turkish troops with a like equipment.

[6821]

No. 228.

Sir G. Barclay to Sir Edward Grey—(Received February 23.)

(No. 59.)

(Telegraphic.) P.

Tehran, February 23, 1911.

TURCO-PERSIAN frontier.

Mr. Shipley reports the arrival in Tabreez from the frontier on the 21st February of Turkish frontier commissioner, Refik Bey, colonel of the staff attached to the 6th Army Corps. Refik Bey was accompanied by an escort of twenty-four cavalry and by Turkish consul at Khoi.

[6831]

No. 229.

Sir G. Barclay to Sir Edward Grey—(Received February 23.)

(No. 60.)

(Telegraphic.) R.

Tehran, February 23, 1911.

MY telegram No. 43 of 12th February.

Preliminary enquiry leads member of Russian Legation who was sent to Ispahan to take charge of the consulate-general to suspect late Russian consul-general's death was due to foul play. His Majesty's consul-general now shares this opinion, though at first death was believed to be due to accident.

Russian Minister has reported to his Government that evidence is as yet too inconclusive to warrant vigorous action.

[6833]

No. 230.

Sir G. Barclay to Sir Edward Grey—(Received February 23.)

(No. 61.)

(Telegraphic.) R.

Tehran, February 23, 1911.

MY telegram No. 48 of 13th February: Attack on Russian Cossacks by Galesh tribesmen.

Detachment sent from Ardebil bombarded village responsible for attack and destroyed part of it. During bombardment some women and children are reported to have been killed.

Russian Minister tells me that military authorities had given strictest orders to force not to harm peaceful inhabitants; casualties among women and children must have therefore been accidental.

At the request of Russian consul at Ardebil and on instructions of the Caucasian authorities a battalion has crossed frontier into Persia. Russian Minister informs me it will remain near Persian Astara.

[6832]

No. 231.

Sir G. Barclay to Sir Edward Grey—(Received February 23.)

(No. 62.)

(Telegraphic.) R.

Tehran, February 23, 1911.

RUSSIAN Minister announced withdrawal of Kazvin force to Minister for Foreign Affairs yesterday.

Russian Minister tells me that 50 or 100 men will be kept at Kazvin as a consular guard.

[6934]

No. 232.

Sir G. Barclay to Sir Edward Grey—(Received February 24.)

(No. 63.)

(Telegraphic.) P.

Tehran, February 24, 1911.

WITH reference to my telegram No. 52 of the 19th February.

I have the honour to report that the Medjliss has declared a majority in favour of Sipahdar as Prime Minister. His supporters number forty-eight.

[6935]

No. 233.

Sir G. Barclay to Sir Edward Grey—(Received February 24.)

(No. 64.)

(Telegraphic.) R.

Tehran, February 24, 1911.

LAST night a further murder was committed in Tehran, victim being a relative of that section of fedai which is suspected of having contrived assassination of Sani-ed-Dowleh.

Murderers are Caucasians. Two of them have been arrested.

[6953]

No. 234.

Sir G. Buchanan to Sir Edward Grey—(Received February 24.)

(No. 50.)

(Telegraphic.) P.

St. Petersburg, February 24, 1911.

TURCO-PERSIAN frontier.

In conversation with me to-day M. Sazonow referred to the above question. The reports which reached the two Governments as to movements of Turkish troops in the zone under dispute were, he said, so contradictory that he thought it would be well to revert to our proposal that a British and Russian consular officer should be sent to the district to discover what was really going on and report. The Persian and Turkish

Governments might be invited to appoint officials to accompany our consular officers, but they might at the same time be given to understand that in the event of their refusing to do so, Russia and Great Britain would dispatch their mission without their co-operation.

[6511]

No. 235.

Sir Edward Grey to Sir G. Buchanan.

(No. 56.)

Sir,

Foreign Office, February 24, 1911.

I HAVE to request your Excellency to take an opportunity of conveying to the Russian Minister for Foreign Affairs the information contained in Sir G. Barclay's telegram No. 55 of the 21st instant relative to the application recently made by the Persian Government to the Imperial Bank of Persia for an advance of 120,000 tomans.

Your Excellency should add that I have informed His Majesty's Minister at Tehran by telegraph that I see no objection to the proposed arrangement.

I am, &c.

E. GREY.

[5877]

No. 236.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, February 24, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 16th instant, setting forth the arrangements made by Messrs. Greenway and Hamilton as regards new appointments on the local staff of your company consequent on the retirement of Mr. Reynolds from the position of their general fields' manager.

Sir E. Grey observes that these appointments have the approval of His Majesty's consul-general at Bushire and political resident in the Persian Gulf (Lieutenant-Colonel Cox) and of the "British consul," i.e., either His Majesty's consul at Ahwaz or His Majesty's consul at Mohammerah; and as these officers, being on the spot and acquainted with the local conditions, are in the best position to judge the requirements of the situation, he sees no reason to dissent from their opinion, or to trouble you to call at this Office to discuss the matter, as you are good enough to express your willingness to do.

I am to add an expression of Sir E. Grey's satisfaction at the manner in which it has been found possible to settle this question.

I am, &c.

LOUIS MALLET.

[6067]

No. 237.

Foreign Office to Imperial Bank of Persia.

Sir,

Foreign Office, February 24, 1911.

WITH reference to your letter of the 19th ultimo, relative to the interpretation to be placed on the clause relating to arbitration which is contained in article 10 of the concession held by the Imperial Bank of Persia from the Persian Government, I am directed by Secretary Sir Edward Grey to inform you that he has received a further telegram from His Majesty's Minister at Tehran on the subject.

In this message Sir G. Barclay reports that the bank's chief manager at Tehran concurs in his view that the Persian Government are unlikely to accept the interpretation suggested by Sir E. Grey—that the cases to which the clause is intended to apply are those of difference of opinion as to the meaning of the terms of the concession itself—to which the bank expressed willingness to agree in your letter under reply.

Sir G. Barclay further expresses doubt whether the Persian Government will be prepared to accept his own interpretation of the clause—i.e., that it refers to cases of difference of law on banking usage—even if this reading has the support of His

Majesty's Government. He is, however, of opinion that, as this latter interpretation has already been presented to the Persian Government, it would be better to adhere to it.

I am accordingly to state that, in these circumstances, Sir E. Grey considers it on the whole desirable to authorise Sir G. Barclay to maintain the view which he has already expressed, and that a telegram has been addressed to him in this sense.

I am, &c.

LOUIS MALLET.

[7081]

No. 238.

Messrs. Ellinger and Co to Foreign Office.—(Received February 25.)

28, Oxford Street, Manchester,

February 24, 1911.

Sir,

WE beg to confirm our letter of the 26th ultimo on the subject of the mines of red oxide on the island of Ormuz, in which we pointed out that further shipments of oxide by Messrs. Strick and Co., which we expected would take place in the present and following months, would very seriously prejudice Messrs. Andrew Weir and Co. and ourselves, and we therefore ventured to suggest that, in view of the urgency of the matter, His Majesty's Minister at Tehran should be desired to indicate a reasonably short time-limit within which the Persian Government should be required to furnish the promised proofs that the Muin-ut-Tujjar's concession had lapsed in the year 1906.

We regret now to have to inform you that we have news that the steamer "Tabaristan" left Ormuz on the 19th instant with a cargo of oxide, and we have every reason to suppose that this shipment will be followed by others in the immediate future unless prompt action is taken by His Majesty's Government.

We should be glad to hear as soon as possible the result of the pressure which His Majesty's Minister at Tehran has been desired to bring to bear upon the Persian Government in the strongest manner to produce the desired proofs, and that effect has been given to our suggestion that a reasonably short time-limit should be given.

We are, &c.

ELLINGER AND Co.

[7106]

No. 239.

Sir Edward Grey to Sir G. Barclay.

(No. 59.)

(Telegraphic.) P.

Foreign Office, February 25, 1911.

INFORMATION respecting international syndicate's loan (see your telegram No. 46 of the 13th February) having been received by Messrs. Lynch from their agent at Tehran, you should see latter, and, if you consider it important, report on the subject.

[6953]

No. 240.

Sir Edward Grey to Sir G. Buchanan.

(No. 72.)

(Telegraphic.) P.

Foreign Office, February 25, 1911.

TURCO-PERSIAN frontier.

Your telegram No. 50 of the 24th February.

In principle I agree to proposal.

No reply has been as yet given to identic communication of the 16th May (see Sir G. Lowther's despatch No. 315 of last year), and joint action might take form in first instance of insistence on immediate answer.

Should Turkish Government further delay their answer we would consider whether they should be told that two Powers will proceed without them, but from Sir G. Barclay's telegram No. 59 of the 23rd February, it appears that Turkish commissioner has already been appointed.

[1768]

2 R

[7127]

No. 241.

Sir G. Barclay to Sir Edward Grey.—(Received February 26.)

(No. 65.)

(Telegraphic.) R.

Tehran, February 26, 1911.

MY telegram No. 49 of 13th February.

Minister for Foreign Affairs made a most salutary speech in Medjliss yesterday in support of Regent's remarks on foreign relations.

His Excellency said that he was satisfied of the friendly disposition of all the Powers, especially the three neighbours.

As regards Turkey, he said that assurances of Turkish Grand Vizier and of Turkish Ambassador made him hopeful of friendly solution of the frontier difficulty. As evidence of British friendly sentiments, he instanced King's speech and our last note about southern roads, and he emphasised sympathetic attitude of His Majesty's Legation.

With regard to Russia, he instanced courtesies shown to Regent on journey through Russia, withdrawal of Kazvin troops, arrest and surrender of two robbers who had fled to Russia. He spoke of the assistance rendered to Persian Government by Russian officials in Persia, and expressed his deep gratitude to them.

It behoved Medjliss and the press to respond and help to consolidate these good relations, especially with neighbouring Powers.

[7128]

No. 242.

Sir G. Barclay to Sir Edward Grey.—(Received February 26.)

(No. 66.)

(Telegraphic.) P.

Tehran, February 26, 1911.

TURCO-PERSIAN frontier. Reference to your telegram No. 72 to St. Petersburg of the 25th February.

There appears to be no reason to suppose that the frontier commissioner is in any way connected with delimitation. M. Poklewski is of opinion that he is a permanent official.

It is not known why he is visiting Tabreez.

[7164]

No. 243.

Sir G. Buchanan to Sir Edward Grey.—(Received February 27.)

(No. 47.)

Sir,

St. Petersburg, February 22, 1911.

THE Turkish Ambassador read to me in confidence last week a telegram which he had received from his Government, instructing him to allay the suspicions of the Russian Government with regard to Turkish policy in Persia. In this telegram Rifaat Pasha denied that any Turkish troops had been sent to Solduz; explained their presence in the Urumia districts by the necessity of protecting Turkish subjects; cited the case of an attack made on a Turkish consul; ridiculed the idea that they could under any circumstances constitute a menace to Russia; and declared that there was not a word of truth in the reported Panislamic movement. His Excellency concluded by saying that he would discuss the whole matter with M. Tcharykow as soon as the latter returned to Constantinople.

When he had finished reading this telegram, Turkhan Pasha expressed the hope that England would remain true to her traditional friendship for Turkey. It was, he said, impossible to settle the Persian frontier question as long as there was no stable Government in that country, but it was absurd to suppose that Turkey contemplated violating the integrity of Persia, when that integrity had been virtually guaranteed by England and Russia.

I replied that we had done more than any other country to show our friendship for Turkey during the critical months that had followed the revolution of 1908, but the services which we had then rendered had hardly met with any recognition. We desired nothing more than to see Turkey strong and independent, but that end would, I thought, be easier attained were the Ottoman Government to approach such questions as that of the Persian frontier in a more conciliatory spirit, and were they not to resort

to such drastic measures as they had employed in dealing with the Christian races within the Empire. A policy of conciliation would enable them to devote to the development of their internal resources some of the vast sums which they were now expending on military armaments.

On my mentioning to M. Sazonow what the Turkish Ambassador had said, his Excellency told me that his last conversation with Turkhan Pasha had been somewhat less strained than his previous ones, but that his Excellency had utterly failed to allay his suspicions.

I have, &c.

GEORGE W. BUCHANAN.

[7325]

No. 244.

India Office to Foreign Office.—(Received February 27.)

Sir,

India Office, February 25, 1911.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter dated the 20th January, 1911, regarding the reductions of expenditure that have been effected at His Majesty's consular establishments at Meshed, Turbat-i-Haidari, and Seistan.

2. In your letter attention is drawn to the desirability of the general adoption of recommendations made by His Majesty's consul in Seistan in favour of a large reduction of the personnel attached to the Persian consulates. As to this I am to observe that, in regard to Meshed and Turbat-i-Haidari, as well as Seistan itself, the recommendations have already been acted on, and it seems reasonable to suppose that the same course will be found to have been followed in regard to Bushire and the consulates in the Persian Gulf, when the further report of the Government of India regarding them has been received. In paragraph 4 of the letter of the Government of India, dated the 17th November last, the total reductions at Bushire and the consulates in the Gulf are provisionally stated at about 67,509 rupees (4,467l.). The observation of the Secretary of State for Foreign Affairs will be borne in mind when the report of the Government of India above referred to is being examined in detail.

3. With reference to the remarks in the latter half of your letter regarding the redistribution of consular posts in Persia, between the Levant and the Indian services, I am to say that the Earl of Crewe has given this subject his most careful consideration, and regrets that he is unable to find himself in agreement with Sir E. Grey.

4. In Sir C. Hardinge's letter of the 20th February, 1909, stress is laid upon the effect of the Anglo-Russian Convention in this connection. While far from underestimating the value of that instrument, Lord Crewe is not convinced by recent events that the time has yet come when Indian interests can be regarded as so securely established *vis-à-vis* of other Powers that any reasonable precautions can safely be neglected; and the present moment, when the advent of German competition is threatened in regions which hitherto have largely been supplied by India, and when the construction is contemplated of railways that will touch Indian interests in many vital points, would seem to him to be singularly inopportune for the withdrawal of Indian officers from any posts within the British sphere.

5. As regards Bagdad, I am to say that, in view of the present impossibility of obtaining for British Indians, even with an Indian officer as consul-general and political resident, the protection enjoyed elsewhere by British subjects, Lord Crewe could not contemplate with equanimity the substitution of an officer of the Levant service, who, whatever his merits, would, from his experience and training, possess no experience of Indian feelings and customs; while the policy recently followed by His Majesty's consul at Bussorah—of which Sir E. Grey found it necessary to express his disapproval—in connection with Mohammedali, furnishes an example of the extent to which even an experienced and able officer of that service may fail to appreciate the wider interests of India and Great Britain in the Persian Gulf. Whether purely British interests, which, in the present state of our relations with Turkey, be any better served by a reduction in the establishment of His Majesty's representative at Bagdad, is not a question for the Secretary of State for India. But I am to invite attention to the letters on this subject from successive consuls-general which are already in the possession of your department, and to the information recorded in Mr. Lorimer's summary for April to May 1910, section 9 (7), to the effect that Nazim

Pasha had complained to the Turkish Government of the size of the British residency, and had recommended that steps be taken to obtain the abolition of the British post-office and the removal of the residency guard and of the R.I.M.S. "Comet."

6. As regards the incidence of expenditure at Bagdad (*vide ante-penultimate paragraph of Sir Charles Hardinge's letter above quoted*), I am to enclose a memorandum from which it will be seen that, despite the intention of the agreement of 1900 the effect of that instrument has been to throw on Indian revenues in respect of Persia and Turkish Arabia an excess charge which more than covers the expenditure on the Bagdad Residency.

7. While therefore Lord Crewe is not less anxious than Sir E. Grey to reduce expenditure, he is strongly of opinion that in the present conflict of international interests in the Middle East this cannot be regarded as the paramount consideration.

I am, &c.

R. RITCHIE.

Enclosure in No. 244.

Memorandum.

IT has recently been brought to notice that, owing to causes which it is perhaps unnecessary to discuss in this connection, the agreement of 1900, which was intended to equalise diplomatic and consular expenditure in Persia and Turkish Arabia as between England and India, left India as a matter of fact to bear unaided a considerable portion of that expenditure. That this is the case can be seen from the following statement of payments and receipts of the two Governments in respect of 1907-8, the latest year in respect of which the accounts have been finally adjusted:—

India.			Foreign Office.		
	£	£		£	£
Persia—			Persia—		
Outlay in Persia	66,832		Outlay in Persia	31,418	
Add contribution to Foreign Office in respect of Persia in 1907-8 ..	487		Add refund to India Office in respect of 1907-8, paid in 1909-10	16,818	
	67,319			48,236	
Deduct refund by Foreign Office in 1909-10	16,818		Deduct contribution by India Office in 1907-8	487	
	50,501			47,749	
Turkish Arabia—			Turkish Arabia—		
Outlay in Turkish Arabia (not including Koweit)	5,634		Outlay in Turkish Arabia (not including Koweit)	1,532*	
Add contribution to Foreign Office in 1907-8 in respect of Bussorah ..	1,400		Add payment to India Office in respect of Mr. Gaskin	43	
	7,034			1,575	
Deduct refund by Foreign Office in 1909-10 in respect of Mr. Gaskin	43		Deduct contribution from India Office in respect of Bussorah ..	1,400	
	6,991			175	
Total net expenditure in Persia and Turkish Arabia	57,492		Total net expenditure in Persia and Turkish Arabia	47,924	

Excess borne by India alone, 9,568*l*.

* Civil estimates, 1907-8.

Put differently, it may be said that, in effect, and contrary to the intention of the agreement, the whole of the diplomatic and consular expenditure in Turkish Arabia and a portion (2,402*l*. in 1907-8) of that in Persia falls upon India alone.

[7412]

No. 245.

Sir G. Barclay to Sir Edward Grey.—(Received February 27.)

(No. 69.)

(Telegraphic.) P.

Tehran, February 27, 1911.

INTERNATIONAL syndicate.

In reply to your telegram No. 59 of the 25th February, I have the honour to state that I am informed by Lynch's agent that he has reported nothing to his principals since making his recent statement to me, details of which I have already telegraphed, except that the Persian Government have given a written undertaking to Mr. Osborne that, pending the conclusion of the negotiations with him, no concessions would be granted to anyone.

This report had already reached me, but I did not give it credence.

In the meanwhile, I have approached Minister for Foreign Affairs, who reiterated the assurances that he had already given us. His Excellency categorically denied that there was such an undertaking as that alleged, and stated that, although the question of a large loan had been discussed with Mr. Osborne, nothing whatever in writing had passed.

During an interview to-day with the Regent, M. Sabline alluded to the rumours respecting the schemes of the international syndicate. Nasr-ul-Mulk stated that Mr. Osborne had written to him making certain what appeared to him visionary proposals.

The Regent begged M. Sabline to assure Russian Minister and myself that he would take no action whatever in any such matters without the knowledge of the two legations. No more "cachotteries" would be allowed in the future.

[5180]

No. 246.

Sir Edward Grey to Sir G. Barclay.

(No. 26. Confidential.)

Foreign Office, February 27, 1911.

Sir,

I HAVE received your despatch No. 5, Very Confidential, of the 23rd ultimo, relative to the rumoured disturbances at the fields of the Anglo-Persian Oil Company last spring.

I concur in the view shared by you and His Majesty's consul-general at Bushire as to the inadvisability of reviving this question, and have to inform you that no action of any kind will be taken on your despatch.

I am, &c.

E. GREY.

[5185]

No. 247.

Foreign Office to Messrs. F. C. Strick and Co.

Gentlemen,

Foreign Office, February 27, 1911.

WITH reference to Mr. Strick's visit to this office on the 7th instant, to discuss the question of the trade in red oxide from the Island of Hormuz, I am directed by Secretary Sir Edward Grey to inform you that he has received, in an official despatch from His Majesty's Minister at Tehran, a copy of the agreement entered into by your firm with the Persian Government on the 17th November last, in connection with the sale of that mineral.

As you are already aware, the Persian Government are unable to adduce proof of their contention that Muin-ut-Tujjar's concession to work the deposits of red oxide on Hormuz expired previous to the date of his contract with Messrs. Andrew Weir and Co., while Muin, on his side, is equally unable, or unwilling, to show that this concession is still in force.

Your firm are bound, by the terms of article 12 of the agreement referred to, to undertake full responsibility for any lawful claim which Messrs. Weir or Messrs. Ellinger and Co. may have against the Persian Government or against Muin under the contract between Messrs. Weir and the latter, while His Majesty's Govern-

[1768]

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ment, on their part, are pledged to make every effort to preserve from injury the interests acquired by those British firms under that instrument.

Sir E. Grey accordingly feels that Messrs. Weir and Ellinger have the right to be aware of their true position with regard to their claim, and he accordingly proposes to inform those firms of the existence of the article referred to.

I am, &c.

LOUIS MALLET.

[7421]

No. 248.

Mr. Bryce to Sir Edward Grey.—(Received February 28.)

(No. 45.)

Sir,

Washington, February 16, 1911.

WITH reference to my despatch No. 42 of the 14th instant, regarding the American financial advisers lent to the Persian Government, I have the honour to report that in this morning's papers the following appointments, in addition to that of Mr. Schuster as Treasurer-General, are announced:—

"Frank S. Cairns to be Director of Taxation. Mr. Cairns is now Director of Customs at the port of Iloilo, Philippine Islands.

Colonel C. L. McCaskey, Acting Deputy Surveyor at New York, to be Inspector of the Provincial Revenues.

R. W. Hills, an attorney and accountant of New York, to be in charge of auditing and accounting."

(Confidential.)

In regard to Mr. Schuster, information has been obtained about him from two different sources, which may be of interest as illustrating his character, and indicating the kind of difficulties which may await him if he should unfortunately attempt to play a part in Persian politics. He is described as a man of considerable force of character and unquestioned integrity. He seems to be also rather unbending in temper and rigid in methods. He enforced the customs regulations in the Philippine Islands with a stringency which occasionally became vexatious, and certainly rendered him unpopular. He is said to have also taken up the cudgels for the native with a vigour which caused some little embarrassment to the administration, and which would appear to have led to his return home. If these accounts be true, he is one of those persons with whom it will be necessary to deal tactfully from the outset, so as to guide any laudable wish he may evince to protect the interests of the native Persians into channels consistent with the desire of His Majesty's Government to attain the same object by well chosen methods suitable to Oriental conditions.

I have, &c.

JAMES BRYCE.

[7647]

No. 249.

Note communicated by Count Benckendorff, February 28, 1911.

(Confidentielle.)

MALGRÉ les assurances catégoriques et répétées par lesquelles le Gouvernement turc a répondu à toutes les réclamations que, d'accord avec le Gouvernement britannique, nous lui avons adressées concernant ses empiètements sur le territoire persan dans le district d'Ourmiah, cette question en est restée au même point.

Selon nos renseignements, non seulement les troupes turques n'ont pas été retirées, mais ces derniers temps leur nombre a été même augmenté; des postes turcs continuent leur pénétration et accaparent progressivement le Lac d'Ourmiah du midi au nord.

Souvent sur les points occupés s'établit une administration turque, elle y collecte les impôts, fonde des écoles, construit des mosquées sunites—bref, elle agit comme en territoire turc.

En plus, nous avons appris de bonne source qu'il y a de cela déjà quelque temps le Gouvernement turc a adressé au Cabinet de Téhéran une déclaration qui ne laisse guère de doute sur un programme établi d'annexion définitive des parages envahis.

Il y est dit que la Turquie n'a aucune vue agressive sur la Perse, mais que les points occupés constituent pour la Turquie une nécessité stratégique contre la Russie.

Ces informations et celles qui concernent les efforts tentés par les organisations panislamiques en Turquie en faveur d'une union entre les sectes sunites et schiites prouvent au Gouvernement Impérial que la répétition de simples réclamations à adresser de nouveau au Gouvernement turc n'amènerait à aucun résultat.

Il nous paraît, en outre, qu'avant tout il serait urgent de se rendre compte exactement de l'état de choses tel qu'il est. Dans ce but nous pensons qu'il y aurait lieu de revenir au projet auquel, en avril dernier, le Gouvernement britannique avait donné en principe son adhésion—d'une commission mixte composée de représentants anglais et russes agissant de concert avec des représentants turcs et persans—et s'il le faut sans eux, chargés d'étudier et d'établir sur place le réel état de choses et de créer ainsi une base pour toute action future.

La retraite du détachement de Kazvine, aujourd'hui définitivement décidée, aura nécessairement pour effet de faciliter ce projet.

A l'époque où ce dernier avait surgi, le Gouvernement turc s'en montra fort troublé et y répondit en joignant à des déclarations tout à fait rassurantes la prière d'y renoncer. Ces déclarations paraissent alors, en effet, avoir été suivies de quelques mesures turques destinées à ralentir l'action. Mais aujourd'hui que la pénétration systématique semble avoir repris son cours, la mesure proposée se présente, dans l'opinion du Gouvernement Impérial, comme urgente et la seule indiquée et possible.

*Ambassade Impériale de Russie, Londres,
le 28 février, 1911.*

[7554]

No. 250.

Sir G. Barclay to Sir Edward Grey.—(Received February 28.)

(No. 70.)

(Telegraphic.) R.

Tehran, February 28, 1911.

SOUTHERN roads.

Goods captured in both robberies reported in my despatch No. 22 have been recovered, but since then there have been two further robberies on 22nd February north of Shiraz, and reports from His Majesty's consul at Shiraz are far from reassuring.

I have urged Persian Government to expedite dispatch of force from Shiraz, where there must now be over 5,000 troops, to punish robbers and recover stolen property. I have also pressed them to hasten Governor-General's arrival at Shiraz.

[7588]

No. 251.

Treasury to Foreign Office.—(Received March 1.)

Sir,

Treasury Chambers, February 28, 1911.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Mallet's letter of the 7th instant and the enclosed copies of correspondence relative to a proposal to entrust to His Majesty's consul at Mohammerah the duty of surveying the country from Dizful to Burujird, in South-Western Persia, with a view to the eventual construction of a railway between those two places, which would form a section of the projected line from Mohammerah to Julfa.

In reply, I am to request you to inform Secretary Sir E. Grey that my Lords authorise the charge to Imperial funds of half the expenses involved in the execution of this proposal, such share being limited to 300*l.* in all.

I am, &c.

G. H. MURRAY.

[7617]

No. 252.

Messrs. Ellinger and Co. to Foreign Office.—(Received March 1.)

Sir, 28, Oxford Street, Manchester, February 28, 1911.
 WITH reference to your letter of the 31st ultimo, we note Sir George Barclay's explanation that it would be possible for the engineers to devote one morning to each of the places to be visited.

After consideration of the whole matter with our engineers, we have reluctantly come to the conclusion that in the present condition of affairs they would not be able to obtain from the natives of the Island of Hormuz and adjacent districts the information which they would require in order to make satisfactory investigations.

We beg to express to yourself and to Sir George Barclay our thanks for the trouble which you have taken in this matter, and when the question of the ownership of the concession is decided we hope to be able to make such arrangements as will justify our sending out our engineers to further examine the deposits of minerals on the Island of Hormuz and surrounding districts.

We are, &c.
 ELLINGER AND Co.

[7588]

No. 253.

Sir Edward Grey to Sir G. Barclay.

(No. 61.)
 (Telegraphic.) P. Foreign Office, March 1, 1911.

WITH reference to your telegram No. 68 of the 27th February, we have asked India Office to instruct Lieutenant Wilson, through Government of India, to proceed with work immediately, as Treasury have consented to bear half expense of Dizful-Burujird survey up to 3000.

[7709]

No. 254.

Messrs. Ziegler and Co. and Others to Sir Edward Grey.—(Received March 2.)

Sir, 46, Sackville Street, Manchester, March 1, 1911.
 WE have the honour to address you in connection with the state of the caravan route between Shiraz and Ispahan.

We beg to draw your attention to our letter of the 4th January, 1911, in which we expressed our very grave doubts as to the reliability and accuracy of the reports of the measures stated to have been taken by the Persian Government for the security of the caravan routes. Your reply to our letter, dated the 13th January, stated that "As regards the general question of the measures which the Persian Government are taking, or have expressed the intention of taking, in consequence of the representations of His Majesty's Government, I am to state that they are at present the object of careful consideration with a view to determine whether they are calculated to meet the case, but that this point cannot be decided until they are in full operation. In the meanwhile Sir G. Barclay's reports appear to show that an effort is being made to carry them out."

We regret to say that we have just had further telegraphic advice of very serious robberies on the Shiraz-Ispahan route. Our telegram says that the roads are in bad condition, and that it is reported that 340 bales of piece goods have been robbed—some at Dehbeed, and the balance, we understand, nearer Ispahan—and in addition to this our telegram informs us that 280 packages of Persian produce, comprising opium, almonds, and carpets from the outlying districts of Shiraz have been stolen, and that six men have been killed. This is the gravest news that we have had from Persia so far.

We have advice that towards the end of January a body of 3,500 men left Ispahan, some to guard the road and the remainder destined for Shiraz, and the troops in question have had ample time to have reached their destinations. Yet the worst robberies on record occur when very large bodies of troops must be in the neighbourhood of the scene of the robberies. If it should prove to be the case that these troops were actually within the near neighbourhood of the disturbed area, then it makes the

situation all the more serious, as it would tend to prove that these troops are either incompetent or are themselves implicated in the robberies.

With regard to the 280 packages of Persian produce robbed in the outlying districts of Shiraz, we understand that this district was under the protection of the Soulet-ed-Dowleh, and here again it would seem that the measures taken are absolutely inadequate for the purpose of maintaining order.

On the 13th January the measures reported to have been taken by the Persian Government were having your careful consideration, with a view to determine whether they were calculated to meet the case, and we feel assured that these last and most serious robberies will have considerable influence in enabling you to come to an early decision on this point.

In this connection we may say that the comparative absence of serious robberies during December and January have been due to the intensely severe weather prevailing in Persia this winter and the unusually heavy falls of snow, and that immunity from disorder has not been due to such measures as the Persian Government have taken.

No doubt it is true that Sir G. Barclay's reports appear to show that an effort is being made by the Persian Government to carry out some measures to obtain security on the trade routes, but though ample time has now elapsed for these efforts to have had full effect, a worse state of things prevails now than ever before.

About a month ago the Nezam-es-Sultaneh (the new Governor of Shiraz) and the Soulet-ed-Dowleh left Bushire to proceed to Shiraz.

We have no advice that they have yet reached that city, but it seems to be clearly apparent that even with considerable bodies of troops on the way down from Ispahan to Shiraz, and with the new Shiraz Governor and the Soulet-ed-Dowleh either in Shiraz or close at hand on the way up, there is neither sufficient influence or force to prevent wholesale brigandage, and we very greatly hope that you will be able to hold out some prospect that this state of affairs will not be allowed to continue.

We are, &c.
 PH. ZIEGLER AND Co.
 H. C. DIXON AND Co.
 HUSSEIN AGHA, Managing Director,
 (For Hadji Ali Akbar and Sons, Limited.)

[7688]

No. 255.

Messrs. C. Strick and Co. to Foreign Office.—(Received March 2.)

Baltic House, Leadenhall Street, London,
 March 1, 1911.

Sir, WE beg to acknowledge receipt of your letter of the 27th ultimo, which, owing to Mr. Strick being engaged in a Board of Trade enquiry at Manchester, which is likely to continue until the end of this week, only came under his notice to-day, and he will reply to it early next week.

In the meantime, he presumes you will not communicate either to Messrs. Andrew Weir and Co. or to Messrs. Ellinger and Co. any of the terms of the contract existing between the Persian Government and ourselves.

We have, &c.
 (For Frank C. Strick and Co., Limited),
 FRANK C. STRICK.

[7706]

No. 256.

Sir G. Barclay to Sir Edward Grey.—(Received March 2.)

(No. 71.)
 (Telegraphic.) P. Tehran, March 2, 1911.

RAILWAYS. Reference to your telegram No. 61 of the 1st March.

I have not received Sir G. Buchanan's reply to your telegram to St. Petersburg No. 63 of the 21st February, and am therefore unable to judge what language I should hold on the subject of Lieutenant Wilson's survey to M. Powlewsky.

You speak, I notice, of the Dizful-Burujird survey, though this latter place lies within the Russian zone.

[1768]

T

[7762]

No. 257.

Sir G. Buchanan to Sir Edward Grey.—(Received March 2.)

(No. 52.)

(Telegraphic.) R.

St. Petersburg, March 2, 1911.

YOUR telegram No. 72 of the 25th February: Turco-Persian frontier.

In an *aide-memoire* just received Minister for Foreign Affairs notes with pleasure your acceptance of his proposal. As regards your suggestion that we should in first instance insist on immediate reply to identic communication of 16th May, his Excellency observes that Russian Ambassador at Constantinople telegraphed on 21st June a statement made to him on the subject by Turkish Minister for Foreign Affairs. This statement is somewhat fuller than that made by Turkish Minister for Foreign Affairs to Sir G. Lowther in conversation reported in his Excellency's despatch No. 395, but virtually corresponds to it.

Minister for Foreign Affairs considers this declaration of Turkish Minister for Foreign Affairs must be regarded as an answer to our identic communication, and that consequently it would be better not to raise question of a further reply, but renew our proposal for dispatch of a commission. Such a step would in his opinion be amply justified by reports, which pour in on all sides, of the occupation of fresh positions by Turkish troops and of ever-increasing activity displayed by them in districts already occupied. (End of R.)

M. Sazonow gave me to understand yesterday, in a conversation which I had with him, that the military authorities were considering the question, and that, before taking any definite action in the matter, he would await the result of their deliberations.

[7554]

No. 258.

Sir Edward Grey to Mirza Mehdi Khan.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Persian Minister and, with reference to the conversation which he had with Mr. Mallet on the 27th ultimo, in the course of which he stated that the roads in Southern Persia were now quite safe, has the honour to inform him that, according to a telegram from His Majesty's Minister at Tehran, dated the 28th February, two further robberies took place on the 22nd February to the north of Shiraz, and the reports furnished by His Majesty's consul at that place respecting the situation are far from reassuring.

Foreign Office, March 2, 1911.

[7588]

No. 259.

Foreign Office to India Office.

Sir,

Foreign Office, March 2, 1911.

WITH reference to the letter from this Office of the 7th ultimo, relative to the proposed survey of the Dizful-Burujird section of the projected Mohammerah-Julfa Railway, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a letter from the Treasury,* authorising the charge to Imperial funds of half the expenses involved in the execution of the scheme up to a sum of 300*l.* in all.

I have accordingly to request that His Majesty's consul at Mohammerah may be furnished with instructions, through the Government of India and His Majesty's consul-general at Bushire, to proceed with the work with as little delay as possible.

I am, &c.

LOUIS MALLET.

* No. 254.

[7706]

No. 260.

Sir Edward Grey to Sir G. Barclay.

(No. 65.)

(Telegraphic.) P.

Foreign Office, March 3, 1911.

DIZFUL-BURUJIRD survey. Your telegram No. 71 of the 2nd March.

Lieutenant Wilson will be given to understand that he should only survey as far as Khorembad, and that he should not enter Russian sphere. (See Sir G. Buchanan's telegram No. 48 of the 22nd February, my reply No. 69 of the 23rd February, and his telegram No. 49 of the 24th February.)

[7762]

No. 261.

Sir Edward Grey to Sir G. Buchanan.

(No. 77.)

(Telegraphic.) P.

Foreign Office, March 3, 1911.

TURCO-PERSIAN frontier. Your telegram No. 52 of the 2nd March.

Course proposed has my approval, and I should be prepared, as soon as the Russian Government are ready to join in inviting the Persian and Turkish Governments, to appoint officials to accompany our respective consular officers.

[8041]

No. 262.

Sir G. Barclay to Sir Edward Grey.—(Received March 4.)

(No. 72.)

(Telegraphic.) P.

Tehran, March 4, 1911.

IN continuation of my telegram No. 66 of the 26th February, I have the honour to report that Refik Bey, the Turkish commissioner, left Tabreez on the 1st March for Soujboulak.

Mukhber-es-Sultaneh has informed His Majesty's consul that as at present arranged Turkish commissioner intends to proceed as far as Mohammerah and to return via Bagdad to his post. Governor-General also gave His Majesty's consul to understand that commissioner was expected to draw up a detailed report on his journey in Persia. Refik Bey's visit to Tabreez appears to have had as its immediate object to arrange with the Turkish consul-general to act as his intermediary with the Persian authorities at Tabreez in order to effect a more speedy settlement of frontier incidents, and to avoid reference to Constantinople.

His Majesty's consul at Tabreez learns from Turkish consul that commissioner will go to Bussorah, but that he did not make any mention of visiting Mohammerah during his journey.

[7647]

No. 263.

Sir Edward Grey to Count Benckendorff.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Russian Ambassador, and has the honour to state that he has carefully considered the communication handed by his Excellency to Sir A. Nicolson on the 28th ultimo, in which it is suggested that, in view of the continued encroachments by Turkey on Persian territory, Great Britain and Russia should revert to the proposal made by them to the Turkish Government in April last, that a mixed commission composed of British and Russian members, acting in co-operation with Turkish and Persian representatives, or, if necessary, without these latter, should proceed to the spot to ascertain the facts in order to afford a basis for future action.

Sir E. Grey has the honour to inform Count Benckendorff that this proposal had, before the receipt of the communication under reply, been conveyed by the Russian Minister for Foreign Affairs to His Majesty's Ambassador at St. Petersburg, who

reported it to His Majesty's Government. Sir E. Grey, in reply, addressed on the 3rd instant a telegram to Sir G. Buchanan, instructing him to inform M. Sazonow that His Majesty's Government agree to the course proposed, and are willing, whenever the Russian Government are ready, to join them in inviting the Turkish and Persian Governments to appoint officials to accompany the British and Russian consular officers selected for the task.

Foreign Office, March 4, 1911.

[8042]

No. 264.

Sir G. Barclay to Sir Edward Grey.—(Received March 5.)

(No. 73.)

(Telegraphic.) R.

Tehran, March 5, 1911.

MY telegram No. 63 of 24th February.

Regent attended Medjliss yesterday and took oath. Before doing so he again lectured members on functions of Parliament. He said that people in Tehran and in provinces expected him to put everything right. This showed a misapprehension of his position. By constitution Cabinet responsibility to Medjliss was proper agency for this. This was as it should be; he did not ask for further powers. It was for him to appoint a Prime Minister acceptable to a majority of the Medjliss, and if they gave anyone further powers it should be to Premier and his Cabinet.

Unwilling to prolong present uncertain situation, he had come to Medjliss in order to take oath, but he must insist on whole-hearted support of all classes. Personal animosities must be sunk. If in this respect matters did not improve he could not indefinitely remain a spectator of a situation detrimental to the country. This is generally regarded as a clear intimation that he will resign in contingency indicated.

After taking oath, Regent stated that, in accordance with the wishes of the majority, he had entrusted Sipahdar with formation of a Cabinet which would shortly lay its programme before the Medjliss.

[8124]

No. 265.

Sir C. Spring-Rice to Sir Edward Grey.—(Received March 6.)

(No. 37. Very Confidential.)

Sir,

Stockholm, February 27, 1911.

WITH reference to my despatch No. 3 of the 7th January on the subject of the employment of Swedish officers in Persia, I have the honour to state that on the 18th instant Count Taube asked me to call on him, and as I was prevented by illness Lord Kilmarnock took my place. Count Taube told him that he wished to speak quite frankly and confidentially on the subject mentioned above. He was extremely anxious to make sure what were the real views of His Majesty's Government with regard to the question, and whether it would be more agreeable to them in any way if the Swedish Government refused the request of the Persian Government. His Excellency laid marked emphasis on his desire to avoid taking any action which might prove embarrassing to His Majesty's Government in Persia, and expressed the hope that you, Sir, would inform him quite frankly what course you would prefer him to adopt. He was well aware that the official answer of His Majesty's Government was to the effect that they had no objection to the employment of Swedish officers in Persia, but the Swedish Minister in London had formed a personal impression that it would be more agreeable to the British Government if Sweden refused. In the event of this impression being correct, his Excellency hoped that you would tell him so frankly and without reserve.

The same day I telegraphed privately to Sir A. Nicolson, informing him of what Count Taube had said, and on the 23rd I received a private letter from Sir A. Nicolson, desiring me to correct the impression which appeared to prevail here, that His Majesty's Government were opposed to the employment of Swedish officers in Persia.

I informed Count Taube of what Sir A. Nicolson had written, adding that His Majesty's Government had been unable to answer as to the employment of the officers in Northern Persia, as this rather concerned Russia than ourselves.

To-day I called on Count Taube, and understood from him that the Russian Government had replied that they had no objection to the employment of the officers

in South Persia, but they had made no observation as to their employment in the north.

Count Taube now proposed to telegraph to Paris, in order to inform the Persian Minister there that he would raise no objection to the employment of the officers if he were satisfied as to the conditions under which they would be employed. He asked me what was the attitude of His Majesty's Government as to the increase of the customs duties in the south in order to provide pay for the proposed gendarmerie. I said that I did not think that His Majesty's Government could consent in advance to any such proposal, and recommended him to make quite sure that the Persian Government would be responsible for the payment of the officers without any conditions as to the source of such payment.

He promised to inform me of the result of his negotiations.

Applications have been received from at least twenty officers in the Swedish army, mainly, I believe, in consequence of the national delight in adventure. It will be possible to obtain a high class of man, and, judging from the friendly terms on which Swedish officers appear to be with English military men when on a visit here, I should think that the officers would get on well with Englishmen in Persia.

I have, &c.

CECIL SPRING-RICE.

P.S. March 1.—Since writing the above I have seen Count Taube again, who tells me that the Persian Minister in Paris is absent, and that he is still without an answer from the Russian Government as to the employment of the officers in North Persia. He proposes to make a condition that the officers are only to be employed in the south.

C. S.-R.

[8111]

No. 266.

Sir G. Lowther to Sir Edward Grey.—(Received March 6.)

(No. 141.)

Sir,

Pera, March 1, 1911.

WITH reference to your telegram No. 54 of the 27th ultimo and No. 48 of the 23rd February relative to the arrival of a Turkish frontier commissioner at Tabreez, I have the honour to report that the officer alluded to, Colonel Refik Bey, is a Mir Alai, who was in the general staff office a year ago.

It would seem that two officers have been appointed as frontier commissioners by the Turkish Government, one, Colonel Ali Riza Bey, whose district extends from Khoi to Passwa, and the other, Refik Bey, whose zone continues from Passwa southwards.

Captain Seol, in reporting the arrival of the first of these officers at Van in last November, stated that he complained greatly of the inadequate means at his disposal for controlling 200 miles of frontier, but made no mention of any question of frontier delimitation, and it appears that both are merely appointed to watch the frontier line.

I have, &c.

GERARD LOWTHER.

[8302]

No. 267.

Sir G. Barclay to Sir Edward Grey.—(Received March 6.)

(No. 74.)

(Telegraphic.) P.

Tehran, March 6, 1911.

REFERENCE to my telegram No. 61 of the 23rd February.

I am informed by M. Powlewsky that further measures will be taken to punish the Galesh tribe responsible for the recent outrage on Russian troops.

Two cossacks reported missing at the time of the original incident were, I understand, found later to have been murdered by the tribesmen.

[1768]

[8311]

No. 268.

Sir G. Barclay to Sir Edward Grey.—(Received March 6.)

(No. 76.)

(Telegraphic.) P.

Tehran, March 6, 1911.

RAILWAYS. Wilson's survey.

References to your telegram No. 65 of the 3rd March and to Colonel Cox's telegram to Government of India of the 5th March.

I trust that, in view of His Majesty's consul-general's telegram, Wilson may be allowed to proceed to Burujird as an ordinary traveller, although terminating his survey at the limits of the neutral sphere.

[8041]

No. 269.

Sir Edward Grey to Sir G. Barclay.

(No. 67.)

(Telegraphic.) P.

Foreign Office, March 6, 1911.

TURCO-PERSIAN frontier.

Lieutenant Wilson should be instructed to report and watch proceedings of Turkish commissioner, but all appearance of interference should be avoided.

[7709]

No. 270.

Foreign Office to Messrs. Ziegler and Co.

Gentlemen,

Foreign Office, March 6, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 1st instant, also signed by Messrs. H. C. Dixon and Co. and Messrs. Hadji Ali Akbar and Sons (Limited), relative to the state of the road between Shiraz and Ispahan.

I am to inform you, in reply, that Sir E. Grey has received from His Majesty's Minister at Tehran a telegraphic report of two further robberies committed on the 22nd ultimo to the north of Shiraz, which are presumably those referred to in the third paragraph of your letter. Sir G. Barclay states that on the receipt of news of these outrages he urged the Persian Government to expedite the dispatch of a force from Shiraz, where there must now be over 5,000 troops, to punish the robbers and recover the stolen property, and that he has also pressed them to hasten the arrival of the newly appointed Governor-General at Shiraz.

The gendarmerie under foreign officers destined for the repression of disorder on the road is not yet fully organised, and Sir E. Grey feels that till it is in working order and the effects of its activity are seen it would be premature definitely to assert that the measures taken by the Persian Government to restore order in Fars have been proved to be inadequate.

A foreign officer of high rank in the service of the Persian Government left Tehran for Shiraz on the 24th January furnished with adequate instructions to undertake the work of organising the gendarmerie, which is to consist, it appears, of 700 men, and a sum of 80,000 tomans has been remitted to the Shiraz branch of the Imperial Bank of Persia towards the expenses of the proposed force, no part of which money will be spent without the consent of this officer, who will keep in the closest touch with His Majesty's consulate at Shiraz.

I am to add that Sir E. Grey hopes that the change of Government in Persia consequent on the appointment of the new Regent will result in some progress.

I am, &c.

LOUIS MALLET.

[8381]

No. 271.

India Office to Foreign Office.—(Received March 7.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Lord Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 3rd March, 1911, relative to Lieutenant Wilson and the Dizful-Burujird survey.

India Office, March 6, 1911.

Enclosure in No. 271.

Viscount Morley to Government of India.

(Telegraphic.) P.

India Office, March 3, 1911.

SEE your telegram dated the 21st January, 1911. Instructions should be given to Wilson to proceed as soon as possible with survey between Dizful and Burujird, but not to go beyond Khorremabad. Half of total 300l. paid by Treasury.

[8420]

No. 272.

Messrs. Dixon and Co. to Sir Edward Grey.—(Received March 7.)

Sir,

Princess Street, Manchester, March 6, 1911.

WE beg to thank you for your letter of the 4th instant. We regret, however, that you are unable to hold out some prospect of a settlement of our claims on the Persian Government.

We have information that the new Shiraz Governor, the Nizam-es-Sultaneh, has succeeded in recovering three years' arrears of taxation in the south of Persia from the Tangistanee chiefs, and we believe that he has also recovered other arrears of taxation from other chiefs between Bushire and Shiraz. We do not doubt that along with the ordinary taxes the new governor will be collecting any claims for robbery that the Central Administration in Tehran have against the different tribal chiefs, and we fear that the Persian Government will be actually recovering from the chiefs the amounts of these various claims, and not handing them over to His Majesty's Minister in Tehran.

Under these circumstances we hope that very strong pressure will be brought to bear, and if claims cannot be satisfied in full, we trust some substantial instalment will be forthcoming.

We are, &c.

H. C. DIXON AND Co.

[8446]

No. 273.

Sir G. Barclay to Sir Edward Grey.—(Received March 7.)

(No. 77.)

(Telegraphic.) R.

Tehran, March 7, 1911.

MY despatch No. 22 of 22nd February.

Minister for Foreign Affairs informs me that three Swedish officers for gendarmerie have been selected, but I gather there may be some delay before arrangements for their coming are complete.

[8448]

No. 274.

Sir G. Barclay to Sir Edward Grey.—(Received March 7.)

(No. 78.)

(Telegraphic.) R.

Tehran, March 7, 1911.

MY telegram No. 36 of 3rd February and my despatch No. 21 of 22nd February. Minister for Foreign Affairs informs me that the five American financial assistants have been selected, and will start for Persia shortly.

[7688]

No. 275.

Foreign Office to Messrs. F. C. Strick and Co.

Gentlemen,

Foreign Office, March 7, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 1st instant relative to the working of the deposits of red oxide on the Island of Hormuz.

With reference to the last paragraph of that communication, I am to inform you that till a further letter is received from you no information with regard to your contract with the Persian Government will be conveyed to Messrs. Andrew Weir and Co. or Messrs. Ellinger and Co.

I am, &c.
W. LANGLEY.

[7081]

No. 276.

Foreign Office to Messrs. Ellinger and Co.

Gentlemen,

Foreign Office, March 7, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 24th ultimo relative to the question of the deposits of red oxide on the Island of Hormuz.

I am to inform you, in reply, that His Majesty's Minister at Tehran, in accordance with Sir E. Grey's instructions, addressed to the Persian Government a note informing them that, unless they could produce proof satisfactory to His Majesty's Government that Muin-ut-Tujjar's concession to exploit these deposits had expired before the signature of his contract with Messrs. Weir, His Majesty's Government must continue to hold them responsible for any injury to British interests through their action in violation of that contract.

The Persian Government, in reply, merely stated that, when concluding a contract with Messrs. Strick and Co. for the sale of oxide, they considered Muin's lease to have expired.

Sir E. Grey accordingly enquired by telegraph whether Sir G. Barclay expected the Persian Government to make any further explanation, and what kind of proof of their contention he considered that they could produce.

Sir G. Barclay replied that he could obtain no further information officially, but that the Persian Government had informed him privately that, in their opinion, Muin's rights under the firmans of 1895 and 1904 legally expired in 1905, but that as he had been suffered to continue to work the mines, and his rent had been accepted up till March 1910, they felt it right to pay him the value of the oxide which had been mined by him before that date, and of which they had taken possession.

Sir G. Barclay could not say what proof the Persian Government could produce of their contention that the lease was revocable at will, except that afforded by an assertion that their action was taken in virtue of their sovereign rights and in conformity with religious law and with custom. He accordingly proposed to ask for an opportunity to inspect the different firmans bearing on the case, though he did not feel sanguine of any useful result from this request.

Sir E. Grey concurred in this proposal, and Sir G. Barclay made the application, but was informed in reply that the Persian Government were not in possession of copies of the original lease and firman, and were doubtful whether Muin could produce them, as he had not hitherto done so. It was in the absence of these documents that the firman of 1904 was granted in confirmation of Muin's lease.

The present situation therefore is that, while the Persians are not in a position to prove their contention, Muin is equally unable to offer evidence in support of his, since it cannot be supposed that he would neglect to take a step so clearly beneficial to his interests if it were in his power to do so. He has, however, it appears, published a pamphlet in support of his case, in which he states that the original lease given to Hajji Jafer Alawi (Malek-ut-Tujjar), from whose heirs it was transferred to himself, was dated 1874, and was for ten years.

I am, &c.
W. LANGLEY.

[8601]

No. 277.

Sir Edward Grey to Sir G. Barclay.

(No. 68.)

(Telegraphic.) P.

Foreign Office, March 8, 1911.

ROBBERY of Kay and Haycock.

Please telegraph any information you may have.

[8676]

No. 278.

India Office to Foreign Office.—(Received March 9.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to Viceroy, dated the 3rd March, relative to the Mohammerah escort.

India Office, March 8, 1911.

Enclosure in No. 278.

Viscount Morley to Government of India.

(Telegraphic.)

India Office, March 3, 1911.

YOUR despatch No. 159, dated 3rd November.

Retention of Mohammerah escort approved. Moiety of cost will be borne by His Majesty's Government up to a limit of 2,015 rupees.

[8740]

No. 279.

Sir G. Barclay to Sir Edward Grey.—(Received March 9.)

(No. 79.)

(Telegraphic.) R.

Tehran, March 9, 1911.

YOUR telegram No. 68 of 8th March: Robbery from Messrs. Kay and Haycock.

On hearing of the robbery I addressed a note to Persian Government urging them to send instructions forthwith for punishment of robbers and for recovery of stolen property amounting to 130l., adding that, unless local authorities succeeded in restoring property or paid compensation, I should present a claim to Persian Government.

I have asked victims for sworn [group omitted: ? list of] item [two groups undecypherable] statement of loss.

[1768]

2 X

[8890]

No. 280.

Mirza Mehdi Khan to Sir Edward Grey.—(Received March 10.)

(No. 75.)

THE Persian Minister presents his compliments to the Secretary of State for Foreign Affairs, and has the honour to acknowledge the receipt of his Excellency's communication of the 2nd instant, in which it is stated that two robberies have recently taken place to the north of Shiraz. Mirza Mehdi Khan has made enquiries on the subject, and has now received a telegram from his Government, informing him that as soon as these acts of robbery occurred a force consisting of infantry and cavalry with guns was dispatched from the Fars mobile military force to punish the culprits and recapture the stolen goods. The telegram further states that some specie belonging to the Imperial Bank of Persia, which was stolen in the neighbourhood of Ispahan, was recovered within a day. Also one hundred* and two (?) cases of opium, property of Messrs. Ziegler and Co., which had been carried away within the boundaries of the province of Fars, have been recaptured and restored to the owners.

In another telegram which Mirza Mehdi Khan has received from his Government a short account is given of the various steps taken by the Nezam-es-Saltanéh, the Governor-General of Fars, since his arrival in that province. The Tanguestani rebels have been completely repressed and their fortresses captured. The port of Dayer, which had been occupied by them, has been taken and rendered secure. A large force has been dispatched for the chastisement of the Boerhaiadi and Behbahan rebels, and other energetic measures have been taken.

Sir Edward Grey will see that any lawlessness that has taken place has been promptly and efficiently put down. This in itself is a proof of the efficiency of the measures taken by the Persian Government. His Excellency will also see that these measures, and the fact that the Governor-General of Fars is personally visiting and attending to the most disturbed districts on his way to Shiraz, give the fairest prospect for the maintenance of order and security in the south.

In conclusion, the Persian Minister desires to assure the Secretary of State for Foreign Affairs that the preservation of order and security along the southern trade routes, and, indeed, throughout the south, is a question which engages the closest, the most earnest, and the unremitting attention of his Government, who have so far, as Sir Edward Grey well knows, spared neither trouble nor expense in this connection.

Persian Legation, March 8, 1911.

[8819]

No. 281.

India Office to Foreign Office.—(Received March 10.)

Sir,

India Office, March 9, 1911.

WITH reference to your letter of the 2nd instant, I am directed by the Secretary of State for India to forward, for the information of the Secretary of State for Foreign Affairs, copy of telegrams that have been exchanged with the Government of India regarding the employment of Lieutenant Wilson to survey the country between Dizful and Khoremad.

The proposal to attach a soldier surveyor to Lieutenant Wilson was first mentioned incidentally by the Government of India in their telegram of the 23rd February, copy of which was furnished to your department on the 28th February, 1911. The cost of the surveyor's salary (which is estimated at about 33l. 6s. 8d. for six months) was not included in the 300l., half of which His Majesty's Treasury have agreed to bear, and Lord Morley trusts that in the circumstances Sir E. Grey will make a further reference to their Lordships the Commissioners. In the meantime he has approved the appointment of the man.

I am, &c.
R. RITCHIE.

* This is not quite decypherable in the message.

Enclosure 1 in No. 281.

The Earl of Crewe to Government of India.

(Telegraphic.) P.

India Office, March 3, 1911.

SEE your telegram dated the 21st January, 1911. Instructions should be given to Wilson to proceed as soon as possible with survey between Dizful and Burujird, but not to go beyond Khoremad. Half of total 300l. paid by Treasury.

Enclosure 2 in No. 281.

Government of India to the Earl of Crewe.

(Telegraphic.) P.

March 4, 1911.

PLEASE refer to your telegram dated the 3rd March. Soldier surveyor for Wilson, referred to in our telegram dated the 23rd ultimo, is, I understand, included in your sanction. Cost for six months would be about 500 rupees, but estimate of surveyor's salary will be communicated later. Wilson will defray, out of allotment to which sanction has already been given, the other expenses of survey.

[8871]

No. 282.

Indo-European Telegraph Company to Foreign Office.—(Received March 10.)

Sir,

18, Old Broad Street, London, March 9, 1911.

REFERRING to your letter of the 3rd May, 1910, and to our reply of the 10th May, 1910, we have to inform you that an unofficial request was lately received by this company from the Russian Foreign Office in St. Petersburg to submit proposals for the repair, maintenance, and working of certain Persian telegraph routes within the Russian sphere of influence, to include the Tehran-Khanikin and the Tehran-Meshed routes. This request apparently assumed that the control of the two last-named routes is, or will be eventually, vested in the Russian Government.

We have, further, to inform you that with this object we have sent to St. Petersburg as our representative, for the purpose of supplying the information above referred to, Mr. Casey, our late representative in Persia, and superintendent of our Tehran station.

Should you wish it, we will instruct Mr. Casey to call upon His Majesty's Ambassador in St. Petersburg, and give him any information in the matter that may be thought desirable.

I am, &c.

T. W. STRATFORD-ANDREWS,
Managing Director.

[8818]

No. 283.

Sir G. Barclay to Sir Edward Grey.—(Received March 10.)

(No. 80.)

(Telegraphic.) P.

Tehran, March 10, 1911.

IMPERIAL Bank of Persia and Persian Government. Reference to your telegram No. 58, dated the 22nd February.

Bank manager has received a fresh application for an advance of 120,000 tomans from Persian Government, and Nasr-ul-Mulk has begged him to comply with the request.

His Highness states that Sipahdar's programme comprises the conclusion of the loan. I think, therefore, that we may be assured that loan will be concluded.

Head office will, I trust, in these circumstances agree to advance the money.

It would, I think, be politic to impose the condition that the money should be employed to ensure payment of the troops at Shiraz if the Board of Directors could arrange to insert this clause.

[8831]

No. 284.

Sir G. Barclay to Sir Edward Grey.—(Received March 10.)

(No. 81.)

(Telegraphic.) R.

Tehran, March 10, 1911.

MY telegram No. 79 of 9th March: Robbery from Messrs. Kay and Haycock. Victims were uninjured, and left for Europe yesterday.

[8420]

No. 285.

Sir Edward Grey to Sir G. Barclay.

(No. 69.)

(Telegraphic.) R.

Foreign Office, March 10, 1911.

MESSRS. DIXON, of Manchester, learn that new Governor-General of Shiraz has recovered three years' arrears of taxation from Tangistani chiefs in south, and believe that he has also recovered arrears from other chiefs between Bushire and Shiraz, and that he will collect from them claims for robberies.

Is this information correct, and, if so, is there a chance of recovering anything on account of British claims?

[8818]

No. 286.

Sir Edward Grey to Sir G. Barclay.

(No. 71.)

(Telegraphic.) P.

Foreign Office, March 10, 1911.

ADVANCE to Persian Government. Your telegram No. 80 of the 10th March.

You might express a hope to the Regent that some of the money which the bank are prepared to advance will be devoted to payment of troops, but it is hardly for them to make condition you propose.

[8420]

No. 287.

Foreign Office to Messrs. Dixon and Co.

Gentlemen,

Foreign Office, March 10, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 6th instant relative to your claims against the Persian Government.

I am to inform you in reply that Sir E. Grey has addressed a telegram to His Majesty's Minister at Tehran conveying to him the information contained in your letter as to the reported action and supposed intentions of the newly appointed Governor-General of Fars, and enquiring whether the facts are as stated; and, if so, whether there is, in Sir G. Barclay's opinion, a chance of recovering any part of the money so collected for the satisfaction of British claims.

I am, &c.

LOUIS MALLET.

[9044]

No. 288.

Lord Grimthorpe to Sir Edward Grey.—(Received March 11.)

My dear Grey,

80, Portland Place, W., March 9, 1911.

MANY thanks for your letter of the 8th instant. Whether the Russian Government will offer such terms as to make it worth our while to build the railway remains to be seen. If they do, I will not fail to let you know what they are before we sign the contract.

Yours very truly,

GRIMTHORPE.

[9063]

No. 289.

Sir G. Barclay to Sir Edward Grey.—(Received March 11.)

(No. 82.)

(Telegraphic.) *En clair.**Tehran, March 11, 1911.*

SIPAH DAR has formed his Cabinet. Minister for Foreign Affairs retains office.

[9144]

No. 290.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 15.)

Sir,

Tehran, February 8, 1911.

I HAVE the honour to acknowledge receipt of your despatch No. 7 of the 17th ultimo, enclosing extracts from the "Manchester Guardian" of the 12th January and calling for my observations.

The incident referred to in these extracts is dealt with in Mr. Marling's despatches Nos. 87 and 97 of the 3rd and 11th June last, but as Mr. Marling makes no mention in these despatches of the guarantees of Russian protection given to certain Persian subjects, on which Professor Browne in his letter to the "Manchester Guardian" lays particular stress, I have asked my Russian colleague concerning these guarantees. M. Poklewsky explains that the Russian colonel sent to arrest Darab Mirza found great difficulty in persuading Darab Mirza's following to desist from their attempt to take Zenjan, and that he finally, in order to induce them to disperse, found himself compelled to resort to the expedient of giving them papers guaranteeing them Russian protection.

In reporting his action to my Russian colleague, the colonel urged that no attention should be paid to the guarantees he had given, and M. Poklewsky tells me that he knows of no single case in which Russian protection has been claimed under these guarantees. M. Poklewsky also tells me that since the mission of the Russian cossacks to Zenjan there have been no further disturbances in that district, though it had formerly been a prominent centre of reactionary effervescence.

I have, &c.

G. BARCLAY.

[9145]

No. 291.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 16.)

Sir,

Tehran, February 9, 1911.

MORTEZA KULI KHAN, Sani-ed-Dowleh, the Minister of Finance, who was assassinated on the 4th February, took a prominent part in the constitutional movement in Persia from the outset. When His Majesty's Legation was invaded by refugees in July 1906, deputations were sent secretly to Sani-el-Dowleh, who formulated for them the idea, which they had only vaguely formed, of a constitution with the object of reform. When the Medjliss was opened at the end of 1906 he was unanimously chosen to be the President, and only relinquished the post after the assassination of the Atabek in August 1907.

He has since then been at various times Minister of Finance, Public Works, &c., and had been Minister of Finance again since October last, when he was so unexpectedly cut down by the hand of a Georgian, who it appears had a personal grudge against the Minister, his employer.

Sani-ed-Dowleh was educated in Germany, and had decidedly German leanings. He was by way of being a staunch upholder of Persian independence, and being endowed with considerable imagination, he at various times conceived far-reaching plans with the avowed object of freeing Persia from the oppressive attentions of Russia and Great Britain. His most cherished idea was that of building a railway from Mohammerah via Burujird and Sultanabad to Tehran, and then to a point on the Caspian somewhere north of the capital near or at Meshedisser. He was also disposed to listen to financial proposals involving the eventual repayment of all the Persian

Government's debts to Russia and England, and in fact was so eminently unpractical that it was generally recognised that none of his many undertakings were ever likely to come to any practical result.

A preliminary enquiry was held at the Ministry of Foreign Affairs, in the presence of a Russian official. The evidence showed that the murderer claimed a sum of money from his victim, of which the latter evaded payment, and seems to indicate that the murder was committed as an act of vengeance, through many people here think that it was for political motives and that Sani-ed-Dowleh's enemies instigated the assassin to remove a political rival.

The murderer and his accomplice were subsequently handed over by the Persian authorities to the Russian Legation according to treaty, and will be sent to Russia for trial and punishment.

In accordance with the instructions contained in your telegram No. 38 of the 6th instant, I conveyed to the Minister for Foreign Affairs the condolences of His Majesty's Government.

Mohtashem-es-Sultaneh has, in reply, requested me to convey to you personally and to His Majesty's Government the sincere thanks of the Imperial Government for this expression of sympathy on the sad occasion.

I have, &c.
G. BARCLAY.

[9146] No. 292.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 17.)
Sir, *Tehran, February 18, 1911.*
I HAVE the honour to acknowledge receipt of your despatch No. 3 of the 12th ultimo (293) respecting the claim of Messrs. Schneider against the Persian Government.

There may very possibly have been discreditable features connected with the transaction on which Messrs. Schneider's claim is based, but the claim is not disputed by the Persian Government, who have indeed issued treasury bonds for its payment. In this respect, and also in that it is a claim on account of goods received by the Persian Government, it differs from the ordinary run of claims against the Persian Government, which for the most part are claims on account of looting and robbery, which have not been admitted by the Persian Government.

There would seem, therefore, good warrant for M. Cambon's contention that Messrs. Schneider's claim merits special treatment, and if not settled before, it should certainly be included in any list of claims which may be presented to the Persian Government in connection with a larger loan, should such a transaction be concluded.

I have, &c.
G. BARCLAY.

[9147] No. 293.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 18.)
Sir, *Tehran, February 20, 1911.*
IN my telegram No. 53 I mentioned that Nasr-ul-Mulk was exerting himself to allay the anti-Russian feeling in the country. In his efforts he is being energetically seconded by the Minister for Foreign Affairs, Mohtashem-es-Sultaneh, who at the sitting of the Medjliss on the 14th February, in reply to interpellations regarding the attempted murder of the governor of Ispahan and the assassination of Sani-ed-Dowleh by Russian subjects, spoke of the cordial co-operation of the Russian Legation with the Persian authorities in dealing with the criminals. He added that the responsibility for these abominable acts of terrorism really lay with those who employed Russian outlaws, and he strongly deprecated their receiving Government employ as had been the case in the past.

He stated that the Russian Minister had personally expressed his horror at the acts committed by certain Russian subjects, and assured his hearers that they would receive adequate punishment in Russia, where they would have to be sent in accordance with treaty.

The Foreign Minister's speech was well received and made a favourable impression.

I would remark that this is the first time a Persian Minister for Foreign Affairs has had the courage to speak in this tone in the Medjliss.

I have, &c.
G. BARCLAY.

[9148] No. 294.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 19.)
Sir, *Tehran, February 20, 1911.*
I HAVE the honour to transmit herein copy of an interesting table which the Administrator-General of Customs has been so good as to send me, showing the customs receipts both in North and South Persia for the first ten months of the year ending on the 31st March.

Comparing these figures with those of the corresponding period of last year, it will be seen that in the northern receipts (including those of Kermanshah) there has been an increase of some 49,917L. (2,495,866 krans), while the southern ones have only increased by about 15,602L. (780,113 krans).

You will observe that at Bushire there has been a decrease of 12,318L. (616,941 krans), a fact which is not without interest, in view of the statement made by the Persian Government in its note of the 21st October last respecting the southern road, that the figures at Bushire then showed an increase of 4,000L. (200,000 krans) over the corresponding period of the previous year.

I have, &c.
G. BARCLAY.

Enclosure in No. 294.

TABLE showing Customs Receipts for the ten Months of the year Itt-II (January 21, 1911).

Province.	Recettes des dix premiers mois de l'année Itt-II.	Recettes de la période correspondante de l'année Takha-Ghouil.	En plus.	En moins.
	Kr. s.	Kr. s.	Kr. s.	Kr. s.
Sud—				
Bouchir	2,737,114 10	3,353,055 45	.. ..	615,941 35
Bender Abbas	1,612,665 90	1,178,026 20	434,639 70	.. ..
Mohammerah	2,624,890 45	1,663,474 85	961,415 60	.. ..
Total	6,974,670 45	6,194,556 50	1,396,055 30	615,941 35
Nord—				
Azerbaïdjan	5,223,480 55	4,863,007 05	360,473 50	.. ..
Astara	1,385,572 35	1,309,861 85	75,710 50	.. ..
Guilan	5,926,411 95	5,419,506 55	506,905 40	.. ..
Mazanderan	1,381,009 70	2,117,253 75	.. ..	736,244 05
Bender Guez	1,390,625 40	1,142,358 70	248,266 70	.. ..
Khorassan	2,630,486 15	2,394,957 35	235,528 80	.. ..
Kermanschah	5,145,095 00	4,685,566 80	459,528 20	.. ..
Téhéran (colis postaux)	1,972,687 70	626,990 40	1,345,697 30	.. ..
Total	25,055,368 80	22,559,502 45	3,232,110 40	736,244 05

[9149]

No. 295.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 20. Confidential.)

Sir,

Tehran, February 22, 1911.

ON the arrival of the Regent elect on the 9th instant, the Prime Minister, Mustaufi-ul-Memalik, tendered his resignation, but Nasr-ul-Mulk pointed out to him that he could not accept it, not having yet taken the oath as Regent. He also urged upon Mustaufi-ul-Memalik how inopportune was the moment he had chosen for provoking a Cabinet crisis, and persuaded him to carry on for the moment.

Nasr-ul-Mulk received the foreign representatives separately in private audience on the 11th instant. I took the opportunity of my audience to deliver the message of welcome and encouragement contained in your telegram No. 44 of the 9th instant, for which, as I have already reported by telegraph, his Highness expressed his warmest gratitude. He spoke very despairingly of the situation with which he was confronted, describing it as one of complete chaos. He said the absence of a stable majority in the Medjliss paralysed the Government. The present Cabinet was supported by a minority of some twenty members, who formed the only party properly so called in the Medjliss; the rest of the House was split up into little groups divided by personal dissensions which, while unable to unite to place another Ministry in power, merely served to hamper the present Cabinet. He had summoned the Medjliss to the palace for the following day, and would explain to them that for parliamentary Government a stable majority supporting the Cabinet on the lines of a definite programme was essential, and that when the Medjliss was able to tell him that there was a majority in favour of the appointment of a particular Prime Minister, he would take the oath as Regent and would entrust the person whom they had selected with the task of forming a Cabinet.

The meeting of the Medjliss at the palace took place on the 12th instant. Nasr-ul-Mulk lectured them on the above lines, emphasising the necessity of forming regular parties with definite programmes, and further gave them a clear intimation that it would be better that they should not waste time in unprofitable discussions of international *haute politique*. He said that he had given audience to all the foreign representatives, and had satisfied himself that Persia had the sympathy of all the Powers, and more particularly of her two great neighbours. The Medjliss therefore need have no preoccupation on the score of foreign relations.

On the 16th instant the Medjliss sent an unsatisfactory reply to Nasr-ul-Mulk. I understand that they informed his Highness that they were ready to support the Government in dealing with certain difficult problems now before the country, in particular with the "root of terrorism" in the capital—an allusion to the lawless Caucasian element which has recently signalled its presence by the assassination of Sani-ed-Dowleh, Minister of Finance. They also expressed the hope that Nasr-ul-Mulk would in due course entrust the forming of a Cabinet to a man commanding the confidence of the House.

Since this reply of the Medjliss Nasr-ul-Mulk has informed Mr. Churchill that the "Democrats"—or, as he often styles them, the "noisy minority"—who support the present Ministry, have produced a programme which his Highness describes as visionary. The remainder of the House, known as the "Moderates," have signed their names to an engagement to stand by each other, but have formulated no programme. They have selected Sipahdar as their candidate for the premiership, but different groups have proposed different candidates for the other Ministries. Although the majority has declared itself for Sipahdar, who is undoubtedly favoured by Nasr-ul-Mulk, his Highness is not satisfied. The failure to produce a programme and the attempt to dictate the composition of the Cabinet shows a misconception of the functions of the Medjliss, and his Highness intends to insist on obtaining satisfaction on these points.

His policy is to endeavour to bring about the formation of a solid group of members who will carry on the functions of a true parliamentary majority and support a Premier of their own choice who will form his own Cabinet and carry on the business of the State unhampered at every turn as heretofore by interference in administrative detail and in the Government's foreign policy.

I have, &c.

G. BARCLAY.

[9150]

[No. 296.]

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 21.)

Sir,

Tehran, February 22, 1911.

WITH reference to your telegram No. 36 of the 3rd instant, I have the honour to report that at its meeting of the 2nd February the Medjliss voted unanimously for the salaries of the American financial experts, a list of which is annexed.

Considerable enthusiasm seems to have been shown on the occasion, but I believe some doubts are privately felt as to how far, in view of language difficulties and the Oriental methods of the Persians, the American type of character will adapt itself to the task of effecting drastic reforms with due regard to native prejudices and traditions.

In any case, it is to be hoped that the Americans will follow the example of the Belgians already employed in the country in steering a tactful middle course between solicitude for the independence of Persia and deference to the political interests of the neighbouring Powers.

I have, &c.

G. BARCLAY.

Enclosure in No. 296.

List of Salaries of American Financial Experts.

THE Treasurer (a man recommended by the President of the United States), 2,000*l.* per annum, and travelling expenses for him and his family.

The Inspector, 1,000*l.* per annum (5,000 dollars).

The Accountant, 800*l.* per annum (4,000 dollars).

The Director of the Department of Direct Taxation, 1,200*l.* per annum (6,000 dollars).

An Inspector to act also as Assistant of the above-mentioned Director, 1,000*l.* per annum (5,000 dollars).

The contracts will be for three years.

[9151]

No. 297.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 22.)

Sir,

Tehran, February 22, 1911.

SINCE my despatch No. 7 of the 23rd ultimo, there have been only two robberies on the Bushire-Ispahan road—one near Koomisheh on the 13th instant, and one on the 18th instant, 8 miles south of Shiraz. In the former, no British goods were involved so far as I know, and the stolen property was promptly recovered. In the latter, Messrs. Ziegler have lost goods valued at 1,000 tomans, but the Deputy Governor of Shiraz is reported to be displaying some energy, and is sanguine of recovering the loot.

The comparative immunity from disorders on the road has thus continued up to date. It remains to be seen how far the forces sent to Shiraz will be able to cope with the situation when the advent of warmer weather renders more easy the operations of the robbers.

In addition to the troops mentioned in my despatch No. 7 of the 23rd ultimo, 700 men and 30 cases of ammunition left Ispahan for Shiraz on the 25th January, but the forces which have already reached Shiraz, some 2,500 men, are reported to be giving some trouble, no arrangements having been made for their pay. A consignment of specie for the Imperial Bank's branch at Ispahan is held up at Shiraz, as the local authorities are unable to furnish a guard, owing evidently to the troops being unpaid. I am urging the Persian Government to remit money to Shiraz, but they have no funds, and the Imperial Bank's loan is hung up pending the formation of a new Cabinet, or the appointment of a Minister of Finance to succeed Sani-ed-Dowleh.

General Naletta is reported to be detained at Kashan, fearing to proceed further, as the road from that town to Ispahan has been recently a scene of several robberies, an employé of the Imperial Bank and a Russian merchant being among the victims.

I asked the Minister for Foreign Affairs this afternoon what progress had been

[1768]

2 Z

made towards the engagement of Swedish officers for the organisation of a national gendarmerie. His Excellency told me that there was some delay owing to the fact that Samad Khan, Persian Minister in Paris, through whom the matter is being treated with the Swedish Government, had pointed out that it was very desirable that the commanding officer should be a young man in view of the arduous work before him. It had originally been intended to apply for a man of colonel's rank, but the Persian Government were now considering Samad Khan's recommendation, in which the Minister for Foreign Affairs told me he and others of the Cabinet concurred.

I have, &c.
G. BARCLAY.

[9152]

No. 298.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 23.)

Sir,

Tehran, February 22, 1911.

I HAVE the honour to transmit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.
G. BARCLAY.

Enclosure in No. 298.

Monthly Summary of Events in Persia for January 24 to February 23, 1911.

Tehran.

HIS Highness Nasr-ul-Mulk arrived at Tehran on the 9th instant, and received the foreign representatives on the 11th instant. The following day his Highness received the members of the Medjliss, to whom he exposed his views. He subsequently received deputations of the various classes. He has so far not taken the oath as prescribed by the constitution, and is therefore not yet technically the Regent.

Sani-ed-Dowleh, the Finance Minister, was assassinated by a Russian subject on the 4th instant. The assassin fired at the Minister through his carriage as he was driving into his own house, after a visit to the manager of the Imperial Bank, with whom he had been discussing the final details of the Government loan. Three shots took effect, and though Dr. Scott was at once in attendance, it was found impossible to save Sani-ed-Dowleh, who died three or four hours later. The assassin and his associates, in endeavouring to escape, wounded several policemen, some of whom have since died. The assassin with one accomplice was eventually arrested, and after a preliminary investigation the two men were handed over to the Russian Legation, it having been shown that they were Russian subjects.

The Medjliss.—The president, Zoka-ul-Mulk, having resigned, owing to a demonstration at the sitting of the 26th January by deputies who accused him of not being impartial, Momtaz-ed-Dowleh was elected president on the 31st January by 45 votes out of a total of 76. Morteza Kuli Khan, formerly private secretary to the Zil-es-Sultan, was elected vice-president. The new president is a younger brother of the present Persian Minister in Paris, and was educated in France. He was president of the Medjliss when it was bombarded in June 1908, when he sought "bast" at the French Legation.

At the sitting of the 31st January the Clerk of the House denied the statement frequently made, that the expenses of the Medjliss were 700 tomans (140*l.*) a-day. He read a statement of expenditure showing that during the previous ten months the expenses of the Medjliss had been 97,646 tomans (19,500*l.*), or, on an average, 65*l.* a-day.

On the 2nd February the committee's report regarding the employment of five Americans to assist in the reorganisation of the Ministry of Finance was read and adopted by 70 votes out of 76. The posts of the five officials and their respective salaries are to be as follows:—

The treasurer	2,000 <i>l.</i> a-year.
The inspector	5,000 dollars a-year.
The accountant	4,000 "
The director of direct taxation	6,000 "
The inspector of direct taxation	5,000 "

At the same sitting the Minister of Education presented the House with a project for the foundation of a school of law, a library, and a public museum. For this purpose he asked for the grant of a piece of land and a credit of 40,000 tomans (8,000*l.*) to erect the buildings. The project was received with applause, and was referred to committee.

At the sitting of the 4th February the House was discussing the renewal for five years of the contract of M. Haase, a German non-commissioned officer employed as a gunnery instructor, and the committee's recommendations had received the sanction of the majority, when the news of Sani-ed-Dowleh's assassination reached the House, and shortly afterwards the sitting was closed.

After Nasr-ul-Mulk's arrival on the 9th instant a number of secret sittings have been held to discuss the Regent's conditions regarding the formation of a regular parliamentary majority as a preliminary to the formation of a new Cabinet. Mustaufi-ul-Mamalek, the Premier, had tendered his resignation, and that of his three remaining colleagues, to the Regent immediately after his arrival. What actually passed at these secret sittings is not generally known, but after a good deal of pressure had been used by Nasr-ul-Mulk the different parties in the House eventually announced that they had divided themselves into two main groups with a definite programme each. The minority or "democrats" stated on the 18th instant that they were composed of twenty-one members, and produced their programme. On the 22nd instant the majority or "moderates" declared that the forty-nine deputies composing the party had agreed upon a programme. The names of the members of the majority were read out by their spokesman, Morteza Kuli Khan. It is understood that their nominee for the Premiership is Sipahdar, and that their choice falls in with the views of the Regent.

G. P. CHURCHILL.

Tabreez.

The collapse of the agitation against the Governor-General was followed by the arrest of the ringleaders, who included Amir-i-Hishmat and Seyyid Muhakekin, a former president of the local assembly. The Governor-General's action seems to have been generally approved, and there was no excitement in the town. During January fairly good order prevailed in the province, and no robberies of caravans were reported to His Majesty's consul. Rahim Khan arrived on the 23rd January under a safe conduct from the Governor-General.

Resht.

1. From reports recently received, it appears that since November last Mazanderan has been at the mercy of Ismail Khan, Amir Toman, of Savad Kuh, Amir-i-Mukarram, Larijani, and Rashid-es-Sultan, who with 1,000 horse and foot made Barfrush their head-quarters. During November the governor of Mazanderan, Zahir-ed-Dowleh, endeavoured to secure the dispersal of the rebels by negotiation, but failed, one of the conditions demanded being a general amnesty for Mazanderan, guaranteed by the British and Russian Legations. The rebels collected revenue, which was spent on the up-keep of their forces. They have more than once ordered Zahir-ed-Dowleh to leave Mazanderan, but he has not complied. They have been in negotiation with the Turkomans, who, while excusing themselves from putting a force in the field on account of the severity of the weather, dispatched a deputation to Barfrush to arrange for an attack on Astrabad when the weather improved. Several requests for British protection from the priests and notables of Mazanderan have reached His Majesty's vice-consul, who has replied that he cannot interfere in the internal affairs of Persia. The Russian agent at Barfrush offered these people Russian protection, but the offer was not accepted. Early in January a Russian subject at Meshdisar was murdered by the brother-in-law of Amir-i-Mukarram and Yuzbashi Gurban, at the time guests in his house. The murderers were taken to Barfrush, but were brought back to Meshdisar at the request of the Russian consul at Astrabad. Amir-i-Mukarram is suspected of having instigated the crime.

2. As illustrating Russian methods in the Astrabad district His Majesty's vice-consul reports the following (see Mr. Marling's telegram No. 291 of the 17th July, 1910):—

On the 2nd July, 1910, the Russian Admiral and the agent of Messrs. Leonozoff were invited to Astrabad by the acting Russian consul, who sent two Cossacks to

Molla Kileh, on the Bay of Astrabad, to guide them to the city. The Admiral and his friend, who are said to have been the worse for liquor, ordered Molla Khan, Russian agent at Gomesh Teppe, to proceed with the two Cossacks and arrest two Turkomans who had formerly stolen some fishing nets. They arrested the two Turkomans at Gomesh Teppe, but a relative of theirs, Mollah Korban Berdi, tried to kill Mollah Khan, who fled, whilst the two Cossacks seized the assailant, who killed one of them with his knife and wounded the other. On account of this incident, entirely caused by their own illegal action, the Russians sent thirty horsemen from Gumbad-i-Kabus and twenty soldiers from Ashuradeh to the village of Gomesh Teppe, which was first bombarded, four shells being fired into it. Eleven relatives of the murdered man were sent to prison at Ashuradeh, and fifty horsemen were quartered in the village, the inhabitants being made to contribute daily 60 roubles for their expenses until the murderer was surrendered. Not satisfied with this, and although they had had the murderer in their custody for some time, the Russian Commissioner at Gumbad-i-Kabus with fifty horsemen came to Gomesh Teppe, where he was met on the 11th December, 1910, by M. Ivanow, Russian consul at Astrabad, and the inhabitants of Gomesh Teppe, a Turkoman settlement at the former mouth of the Gurgan, were made to pay an indemnity of 2,460*l.* as compensation for the death of the two Cossacks.

3. Nasr-ul-Mulk arrived at Enzeli on the 25th January and went on at once to Resht, which he left on the 2nd February for Tehran.

4. A number of the inhabitants of Resht are anxious for the dismissal of the Governor-General of Ghilan, Moayyer-ul-Mamalek, who is said to have taken no interest in the administration of the province. He is reported to have ideas of seizing Resht and establishing himself as an independent ruler, but his plans have not so far taken shape. The province has during the past three months remained quiet, the only incident reported being the murder of the chief of police at Enzeli, Charles Semino, Moadeb-es-Sultan, by one Mujir-ul-Eyaleh. The murderer has been brought to Tehran for trial.

Meshed.

The province has remained quiet and no robberies were reported, but this is ascribed to the severity of the weather. Masud Khan, who was appointed Governor of Daragez, advanced to Kuchan, but spent some time there, apparently afraid to go on. Early in February, however, he received a reinforcement of 100 horsemen and two guns, whereupon he advanced on Daragez. The Governor-General is reported to be displaying caution and tact in the administration of the province. The relieved *sotnia* of Russian Cossacks left for Askabad during January. The boycott of Russian goods is being observed by the public services, but is making no headway.

Seistan.

1. Neither the Kainat nor Seistan can be said to be in a satisfactory condition. Highway robbery is rife everywhere, and local governors display little energy in coping with the mischief. The state of things is worse in Seistan than in the Kainat, and it is notorious that Hashmat-ul-Mulk winks at, if he does not actually connive at, the robberies committed by Baluchis. He is said to resent very much the collection of revenue being taken out of his hands and entrusted to the Director of Customs. Shaukat-ul-Mulk left Birjand on the 15th February with 1,000 men and two guns for Neh. His object was said to be the prevention of further Baluchi raids into the Kainat, but Major O'Connor considered his force unnecessarily large for this. On the 16th February there were riots at Seistan, directed against the octroi and police administration. Some octroi posts and the house of an official were wrecked, but no one was hurt, and the town was soon quiet again.

2. Shaukat-ul-Mulk has been instructed from Tehran to take steps to arrest arms caravan coming from the Gulf. He has replied that his present troops are useless for the purpose, and has asked for suitable officers, good rifles, and two guns. On the 29th January 400 to 500 Afghans with 1,000 camels laden with merchandise arrived at Gurg from Meshed by the Lashowain route on their way to the coast. On the 10th February, Khalifa Kheir Mohammed left Kala-i-Fat for Mekran with 200 men and passed Girdi on the 17th. His men wished to loot a caravan of British merchants and the Girdi rest-house, but he prevented them.

Ispahan.

1. Quiet has prevailed in the town and province. Practically all the Bakhtiari have left Ispahan. The cold abated towards the end of January, since when food supplies have come in freely. The roads have generally been free from robberies, but on the 9th February at Maderi Shah, on the Tehran road, Mr. D'Alton of the Imperial Bank of Persia and other travellers were robbed of all their belongings by nine mounted robbers. On the Shiraz road a caravan was robbed 12 miles north-east of Kumisheh, but the goods plundered were recovered and three of the robbers were captured.

2. On the morning of the 1st February, the Governor-General and his nephew, Mirza Abdul Rahim Khan, were both shot, the latter mortally, by Mirza Abbas Khan, formerly chief of police at Ispahan. The murderer with three companions then took refuge in the Russian Consulate-General, claiming to be Russian subjects. To Mr. Grahame, who went to see him, Motemid-i-Khakan, whose case at the time Dr. Carr considered hopeless, said, "I want you to promise to deliver a message from me to Sir Edward Grey. Tell him these are Motemid-i-Khakan's last words to him. Tell him he made a great mistake in concluding the Anglo-Russian agreement. Persia is an iron shield against the designs of Russia." Motemid-i-Khakan had an extraordinary escape, as one bullet entered the left lung, and, passing near the heart, penetrated the right lung. He is making a good recovery. The motive of the crime is variously given as a quarrel about accounts, the punishment of some of Mirza Abbas Khan's men, revenge for the murder of Seyyid Abdullah and Russian instigation with a view to creating disorders to open the door for Russian intervention in Ispahan. The fact that the assassin claims to be a Russian subject and that he and his men are being harboured by the Russian consul-general is deeply resented in many circles, and it is asserted that Mirza Abbas Khan at the time he took office as chief of police gave a writing to the effect that he is a Persian subject, and frequently made a like statement in public. On the 2nd February, while the funeral procession of Mirza Abdul Rahim Khan was going through the streets, two individuals attempted to instigate the crowd to attack the Russian consulate and seize the murderer, but members of the local assembly succeeded in counteracting their efforts.

Yezd.

The Governor-General appears anxious to maintain order on the roads in his district, but is handicapped by want of funds, without which he is unable to engage men of his own tribe or others capable of facing robbers. During January a band of 200 Baharlu robbers is reported to have raided ten villages, maltreating the inhabitants and carrying off 50,000 animals. On the Nain-Yezd road robbers were said to be lying in wait, but precautions being taken, no robberies occurred. The south routes being practically closed, there is an increase of trade with Russia. The Russian agent is also reported to be displaying considerable activity.

Kum.

Early in February, a branch of the Russian Bank having been opened here, a general boycott of the staff of the bank was proclaimed by the priests, carpenters were prevented from working for the bank, and Mahomedan employes of the bank were treated as infidels; the bank manager was in fear of his life. Fifteen Persian Cossacks arrived on the 11th February from Tehran to protect the bank, and forty soldiers were expected soon after.

Damghan.

On the 16th February Naib Hussein, with 300 horsemen, was reported to be plundering villages near Gusheh, 24 miles west of Damghan. At Gusheh he killed three men and took away the post horses. The post horses of the neighbouring stages had been removed as a precaution, and postal communication between Meshed and Tehran is therefore interrupted. On the 18th February 300 horsemen left Tehran to pursue Naib Hussein.

Kermanshah.

The new governor, Rukn-ed-Dowleh, arrived on the 16th January with an escort of forty-five Persian Cossacks. Quiet has prevailed, and a good police force is being organised on the town. Daoud Khan, having refused to come in to see the governor,

the latter has refused the services of 200 Kalhur horsemen whom he had summoned and who had assembled. The Minister of the Interior instructed the governor to send Samsam-ul-Mamalek, Sinjahi, as governor to Kasr-i-Shirin, but in the face of Daoud Khan's opposition this has not been possible.

Kerman.

The Governor-General, immediately after his arrival, began making preparations for an expedition to Baluchistan. He intended to go himself as far as Bam in the first instance; on reaching Bam he would decide whether his presence with the expedition was necessary. It is reported that Bahram Khan, the rebellious Baluch chief, was collecting reinforcements to resist any force sent to restore order in Baluchistan. Robberies of caravans were reported during January: (1) two between Marghak and Jiruft, one being a Hindoo caravan; (2) between Kerman and Bam, near Tahrud; (3) near Maskun, between Bunder Abbas and Bam. The post was also robbed between Bunder Abbas and Kerman, at Gulu Anjira.

Shiraz.

1. Intense cold prevailed during January. Caravans passed normally on the Kazerun road, and the Ispahan road continued semi-abandoned. On the 18th February a robbery of thirty loads of merchandise, including 200*l.* worth of opium belonging to Messrs. Zeigler, occurred 8 miles north of Shiraz. The postal service to Ispahan is so disorganised that letters for the north are sent by Bushire. The Governor-General is still at Borasjun, where he is dealing with certain local chiefs who have not paid revenue of late years. Soulet-ed-Dowleh is with him, and rumour says that Soulet-ed-Saltaneh and Mohammed Ali Khan, Kashguli, have been reconciled to him. The Fars movable column, consisting of some 2,500 men, arrived from Ispahan on the 16th February. An affray occurred between some of these troops and some townspeople, in which one of the latter was killed.

2. Mr. Knox arrived on the 4th February from Bushire and took over charge of His Majesty's consulate from Mr. Smart on the 14th. Mr. Smart, with the detachments of Royal Marines and sepoy, left for Bushire on the 15th. Mr. Knox was accompanied from Bushire by the reliefs of the Shiraz consular guard, but owing to the heavy weather they were unable to proceed beyond Mian Khotal, whence they subsequently returned to Kazerun. Mr. Knox pushing on to Shiraz with a Persian escort.

Muaz.

1. Sohrab Khan, Bakhtiari, has been appointed deputy governor of Dizful, *vice* Aga Rahim Khan, Bakhtiari, who has been deprived of office by Haji Fakhr-ul-Mulk, Governor-General of Arabistan, at the request of Sheikh Khazal.

2. At the beginning of the year work on the pipe line was continuing, in spite of the wet weather, with very little interruption. The oil company's works at Brain, on Abadan Island, were progressing fast, and more British Indians were arriving. One hundred had been registered at His Majesty's consulate in the first week of the year, all new arrivals. Mr. Reynolds, late general fields manager, left for England on the 7th January. Dr. W. F. Kays, of the oil company, died at Nasiri of cholera early in January.

C. B. STOKES, Major,
Military Attaché.

[9153]

No. 299.

Sir G. Barclay to Sir Edward Grey. — (Received March 13.)

(No. 24. Secret.)

Sir,

Tehran, February 22, 1911.

IN my despatch No. 20 of to-day I have mentioned that Nasr-ul-Mulk gave Mr. Churchill certain information regarding the course of his Highness's negotiations with the Medjliss. On the occasion on which Mr. Churchill was received by

Nasr-ul-Mulk, his Highness spoke also about other matters. In recording his remarks on these, I should mention that his Highness asked specially that they should be treated as secret.

Nasr-ul-Mulk spoke most bitterly of the "Democrats," or the advanced Nationalist party, the supporters of the present Cabinet. How far they were genuinely democrats could be judged from the fact that Ain-ed-Dowleh was classed amongst them, and had contributed largely to the party funds. The party was really the puppet of self-seeking persons, whose object was to use it in order to prevent the proper working of parliamentary Government. His Highness said that these "democrats" had engaged Caucasian revolutionaries, and brought them to Persia to terrorise and assassinate. Three Caucasians of this type had come to Persia just before his own arrival, and others he heard were following.

I have no means of checking this serious charge against the "democrats," but I must admit that it surprises me, as the advanced Nationalists have in recent times been the principal sufferers at the hands of assassins. I would instance the recent assassination of Sani-ed-Dowleh, late Minister of Finance.

Whatever the truth may be, Nasr-ul-Mulk appears to be genuinely afraid that he himself may be assassinated. He has received anonymous threats, and is always most carefully guarded. The threats he seems inclined to attribute to the "democrats," who, as he remembers, voted *en bloc* against him for the regency, though in my opinion it is more probable that they emanate from reactionary quarters.

Indeed, Nasr-ul-Mulk told Mr. Churchill that he noticed much reactionary activity in Tehran. There were emissaries from the ex-Shah now in the capital, and secret meetings were being held on His Majesty's behalf. A preacher had lately denounced the Medjliss from the pulpit, and there had been reactionary demonstrations before his own house and before the Medjliss.

Speaking of Sardar Assad, whom Nasr-ul-Mulk evidently regards with great suspicion, his Highness said that he was a "moderate" or a "democrat," as occasion suited him. Sardar Assad had sent a brother and a cousin to meet him at Resht, and on the journey these two had urged him to make a *coup d'Etat* as the only means of dealing with the situation. This, his Highness thought, reflected the secret view of Sardar Assad, which the Sardar was too circumspect to express openly himself. Mr. Churchill gathered that Nasr-ul-Mulk meant by this that Sardar Assad wished to see the present confusion made worse confounded, so that he could himself emerge dictator.

Nasr-ul-Mulk spoke also of a Pan-Islamic propaganda, which he said had been started in Persia by the Committee of Union and Progress in Turkey. His Highness said that while in Europe he had heard from persons in close touch with the movement that the committee was about to send emissaries to Persia to open branches in all the important towns. These emissaries had already arrived in Persia, and the results of the committee's activity were already becoming manifest. He cited a recent message from the Ulema of Nejed, exhorting Sunni and Shiah to unite. His Highness said that he thought that Great Britain and Russia should co-operate with Persia to combat the movement, which had already made great progress in the Caucasus.

I have told my Russian colleague confidentially what Nasr-ul-Mulk has said, and I find that he had already heard that Taki Zadeh's mission at Constantinople, where I understand he now is, had some connection with the Pan-Islamic movement. M. Poklewski is inclined to agree with me in thinking that such attempts to reconcile the apparently irreconcilable differences between Shiah and Sunni for political purposes need not, at any rate for the present, be looked upon too seriously. It is of course well known that the Shiah looks upon the Sunni with more fanatical hatred than upon any Christian, and I believe the same may be said with equal truth of the Sunni as regards his feeling towards the Shiah. Though perhaps the educated classes may be capable of sinking their religious feelings for reasons of political expediency, the lower classes, who are in an immense majority, will I think never be reconciled.

Nasr-ul-Mulk's anxiety on this score is chiefly, I understand, owing to his fear that the Turks are aiming at increasing their political influence in Persia by means of the Pan-Islamic propaganda, and his attitude of mind on this point only confirms my view as to the irreconcilable nature of the two great Islamic sects.

I have, &c.

G. BARCLAY.

[9154]

No. 300.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 25.)

Sir,

Tehran, February 23, 1911.

IN my telegram No. 43 of the 12th instant, I had with deep regret to report that the Russian consul-general at Ispahan had been found drowned on the morning of the 11th instant in a well in the precincts of the Russian consulate-general.

The Russian Minister at once dispatched a junior member of his staff, M. Evreinow, to Ispahan, and requested that, pending his arrival, His Majesty's consul-general might take charge of Russian interests, and also, there being no responsible person at the Russian consulate-general, of certain prisoners in Russian custody, a request with which I ventured to comply.

M. Evreinow arrived at Isfahan on the 17th instant, and has since reported to his Minister his suspicions that M. Bogoiavlensky's death was due to foul play, and Mr. Grahame has informed me that though at first it was believed to be due to an accident he now shares M. Evreinow's suspicions.

The facts of the case which have so far come to light would appear to be as follows:—

On the morning of the 11th instant M. Bogoiavlensky was seen alive by a Cossack at about 9 A.M., and he then proceeded to an inner garden, where is situated the well in which his body was found some two hours later. Access to this inner garden is through a corridor, at the garden end of which is a door which is only closed at nights, when it is fastened by a padlock on the corridor side. On the inner or garden side it can be secured by a hasp.

The same Cossack shortly afterwards having occasion to speak to the consul-general proceeded towards the garden, but finding the door fastened on the inner garden side presumed his master desired to be alone, and went away. Eventually the door was shaken open; M. Bogoiavlensky's body was found in the well, and a great-coat which he is thought to have been wearing when last seen was also floating on the water in the well beside the corpse.

The garden in question is flanked on more than one side by Persian houses, from which it would be no difficult matter to drop into the garden, or a Persian gardener might have been in the garden at the time M. Bogoiavlensky entered it. Moreover, this gentleman was never in the habit of fastening the door when in the garden—on the other hand, he invariably carried on his person his watch and purse, which he did not do on the day of his death. Nor did he, as was his wont, put on his galoshes or take his stick, although these articles were in the hall through which he passed. An English doctor who made an autopsy some two hours after the recovery of the body found no marks of violence. These circumstances might perhaps appear to point to suicide, but in the absence of any known cause for so desperate an act Mr. Grahame, as stated above, inclines to the opinion of M. Evreinow.

Altogether the case is still very obscure, and my Russian colleague, in reporting M. Evreinow's and Mr. Grahame's suspicions to his Government, has stated his opinion that the evidence obtained so far is not sufficiently convincing to warrant vigorous action.

I have, &c.

G. BARCLAY.

[9072]

No. 301.

Sir G. Buchanan to Sir Edward Grey.—(Received March 13.)

(No. 53.)

Sir,

St. Petersburg, March 7, 1911.

IN accordance with the instructions conveyed to me in your despatch No. 56 of the 24th ultimo, I informed the Minister for Foreign Affairs yesterday that the arrangements for the loan to be made by the Imperial Bank of Persia to the Persian Government were at present at a standstill pending the formation of the new Persian Cabinet, but that the Persian Government had applied to the manager of the bank for an advance of 120,000 tomans. I added that you had informed Sir George Barclay by telegraph that you saw no objection to the proposed advance.

M. Sazonow expressed his thanks for this communication, and said that now that

the Russian conversion scheme had been carried through he had absolutely no objection to the Imperial Bank making this advance. In the subsequent course of our conversation, his Excellency observed that the time was approaching when we should have to consider seriously the advisability of arranging for a large loan being made to Persia under the auspices of the two Governments. The Persian Government needed money badly for purposes of internal administration and for the maintenance of order, and such a loan might facilitate the solution of the question of railway construction in the North, more especially that of the projected Transpersian Railway. His Excellency did not explain in what manner or to what extent this loan was to be applied to the purpose of railway construction, but he would appear to be adopting the view expressed in the *aide-mémoire* communicated to us by the Russian Government on the 15th August, 1908, that the question of an important Persian loan was intimately connected with that of railway concessions, and that the two questions ought to be treated simultaneously.

I have, &c.

GEORGE W. BUCHANAN.

[9074]

No. 302.

Sir G. Buchanan to Sir Edward Grey.—(Received March 13.)

(No. 55.)

Sir,

St. Petersburg, March 7, 1911.

I COMMUNICATED to the Minister for Foreign Affairs on the 26th ultimo the substance of your telegram No. 72 of the 25th ultimo relative to the proposed dispatch of a British and Russian consular officer to report on what is passing in the disputed zone on the Turco-Persian frontier, and I subsequently received the accompanying *aide-mémoire*, in which his Excellency suggested that, instead of insisting at Constantinople on an immediate reply being returned to the joint communication of the 16th May last, we should invite the Turkish and Persian Governments to appoint commissioners to accompany those officers. In the event of those Governments failing to comply with this request within a reasonable time, M. Sazonow is of opinion that we should proceed to make the proposed investigation without them.

In accordance with the instructions conveyed to me in your telegram No. 77 of the 3rd instant, I yesterday informed M. Sazonow that His Majesty's Government agreed to the course which he had proposed, and would join the Russian Government in addressing such an invitation to the Turkish and Persian Governments whenever his Excellency desired to do so.

M. Sazonow expressed his satisfaction, and said that the question was at present under the consideration of the military authorities, and that, before taking any definite action, he would prefer to await the conclusions at which they might arrive.

I have, &c.

GEORGE W. BUCHANAN.

Enclosure in No. 302.

Aide-mémoire communicated to Sir G. Buchanan by Russian Government.

LE Gouvernement Impérial a pris connaissance avec plaisir du consentement du Gouvernement britannique à charger des représentants consulaires russe et anglais de visiter en commun les localités sur la frontière turco-persane, occupées par les troupes turques afin d'en étudier la dislocation. Quant à la proposition du Cabinet de Londres d'insister préalablement à Constantinople pour obtenir une réponse à la communication identique des Ambassadeurs de Russie et de la Grande-Bretagne du 3 (16) mai, 1910, à laquelle aucune réponse n'aurait été donnée, le Ministère Impérial des Affaires étrangères suppose que cette proposition doit être basée sur un malentendu. En effet, l'Ambassadeur de Russie à Constantinople télégraphiait le 8 (21) juin, 1910, que Rifaat Pacha avait informé les deux Ambassadeurs de ce qu'il ne voyait pas de nécessité de l'envoi des agents dans la région occupée, vu que le Gouvernement ottoman s'était prononcé à plusieurs reprises sur les raisons et le caractère de la présence de ses troupes dans les localités que les agents auraient à visiter. Tout en reconnaissant que les consuls ont naturellement tout le droit de voyager pour vérifier les renseignements qui leur parviennent, Rifaat Pacha avait exprimé la crainte que la

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commission projetée ne prit le caractère d'une commission mixte d'enquête ou de délimitation, ce qui pourrait donner lieu à des malentendus et des conflits. Ensuite le Ministre a déclaré d'une façon officielle que les localités en question se divisent, aux yeux du Gouvernement turc, en trois zones. Dans la première d'entre elles résident des consuls turcs, munis d'escortes consulaires; en ce qui concerne cette zone la Porte n'a aucune prétention de l'annexer, de l'occuper ou de l'administrer; les villes d'Ourmiah, Khoy, Salmass et Soudjbolag en font partie. La deuxième zone n'est occupée par les troupes turques que temporairement et la Porte est prête à remettre ces localités aux autorités persanes dès que ces dernières seront à même d'en reprendre l'administration. L'idée de nommer des officiers à Tchiaryk, Souldouz, et Ouchnoueh appartient à Rifaat Pacha; ces officiers étaient destinés à remplacer les fonctionnaires civils turcs qui s'y trouvaient antérieurement et ils ne sont chargés que du commandement des troupes turques et de la sauvegarde des sujets ottomans, mais ne sont pas qualifiés de percevoir les impôts ou d'exercer des fonctions d'administration. La troisième zone comprend un territoire ayant de tout temps appartenu à la Turquie, ce que la Sublime Porte se réserve de démontrer documents en mains au cours des pourparlers au sujet de la délimitation. Le Ministre evita de nommer des points quelconques rentrant dans cette zone afin de parer à des protestations et des objections anticipées de la part de la Perse.

Pareille communication de Rifaat Pacha ne pouvant, semble-t-il être considérée autrement que comme une réponse à la communication identique du 3 (16) mai, le Gouvernement Impérial suppose que par suite il serait peut être préférable de ne plus soulever la question d'une réponse à la communication identique susmentionnée, mais à renouveler simplement la question de l'envoi d'une commission sur les lieux. Cette démarche serait suffisamment motivée par les renseignements qui affluent de tous côtés sur l'occupation de nouvelles localités par les troupes turques et sur l'activité de plus en plus énergique que ces dernières déploient dans la région déjà occupée.

Saint-Petersbourg, le 16 février (1^{er} mars), 1911.

[9293]

No. 303.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 83.)

(Telegraphic.) P.

SHIRAZ claims.

Tehran, March 13, 1911.

In reply to your telegram No. 69 of the 10th March, I have the honour to report that His Majesty's acting consul at Shiraz has no indication that any arrears of taxation have been recovered by Nizam-es-Sultaneh; His Majesty's acting consul would probably have heard had it been the case.

On arrival of Governor-General, Mr. Knox will make enquiries.

[9423]

No. 304.

India Office to Foreign Office.—(Received March 14.)

Sir,

India Office, March 14, 1911.

WITH reference to previous correspondence regarding the survey by Lieutenant Wilson of the Dizful-Khoremad route, I am desired by the Secretary of State for India to forward, for the information of the Secretary of State for Foreign Affairs, copy of a telegram from the Government of India recommending that Lieutenant Wilson should proceed from Khoremad to Burujird as an ordinary traveller. In this recommendation Viscount Morley concurs.

I am, &c.

R. RITCHIE.

Enclosure in No. 304.

Government of India to Viscount Morley.

(Telegraphic.) P.

March 10, 1911.

PLEASE refer to telegram of the 6th instant from His Majesty's Minister at Tehran and to your telegram of the 3rd instant.

Following, briefly stated, are the reasons assigned in telegram of the 5th instant from resident, Persian Gulf, for permission to proceed to Burujird being given to Wilson:—

1. Range of mountains south of Burujird, to pierce which is likely to be one of the main difficulties of the railway alignment between Burujird and Dizful, could be examined by him.

2. Suspicion is likely to be excited if Wilson proceeds only as far as Khoremad and fails to visit Burujird, which is seat of Governor of Luristan.

3. He could report on the road, as our road concession extends to beyond Burujird.

4. Burujird is the only place from which access can be gained to summer quarters of Nazar Ali Khan, powerful Lur chief, whom it is desirable that Wilson should visit.

Resident's view has my concurrence. I hope that Wilson may proceed as an ordinary traveller to Burujird.

[8871]

No. 305.

Sir Edward Grey to Sir G. Buchanan.

(No. 76.)

Sir,

Foreign Office, March 14, 1911.

WITH reference to Mr. O'Beirne's despatch No. 274 of the 15th June last relative to my proposal to inform the Indo-European Telegraph Company of the agreement concluded between His Majesty's and the Russian Government for the cession to the latter of the eventual rights of the former over the Tehran-Khanikin telegraph line, I transmit to your Excellency herewith copy of a letter from the Company,* from which it appears that they have received from the Russian Ministry of Foreign Affairs a request that they will submit suggestions for the repair, maintenance, and working of certain lines within the Russian sphere of influence in Persia, including the Tehran-Khanikin and Tehran-Meshed lines, whence they deduce the conclusion that the control of these routes is, or will eventually be, vested in the Russian Government.

Your Excellency should remind the Russian Minister for Foreign Affairs of the wish expressed in the *aide-memoire* handed to Mr. O'Beirne on the 2nd June last, that no communication should be made to the Company on this subject till the interdepartmental correspondence then taking place in St. Petersburg respecting the general question of Persian telegraphs was complete, and should point out to him that, in view of the request which has now been addressed to the Company, and the inference which they have drawn from it, it would appear undesirable further to conceal from them the true state of the case.

You should therefore suggest that the terms of the arrangement of the 31st August, 1907, should be communicated to the Company confidentially without further delay, and that this might be done in a letter from this department to the Company's office in London.

A copy of the reply which I have caused to be returned to the Company's letter is also enclosed.†

I am, &c.

E. GREY.

[8819]

No. 306.

Foreign Office to Treasury.

Sir,

Foreign Office, March 14, 1911.

WITH reference to your letter of the 28th February last relative to the proposed survey of the country between Dizful and Khoremad by His Majesty's consul at Mohammerah, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a further communication from the India Office,‡ asking that the sanction of the Lords Commissioners of His Majesty's Treasury may be obtained to the charge on Imperial

* No. 282.

† No. 307.

‡ No. 281.

funds of half the salary of the soldier surveyor who will be attached to Lieutenant Wilson while engaged on this work.

I am to express Sir E. Grey's hope that their Lordships will see no objection to the addition of half this sum, which amounts to no more than 33*l.* 6*s.* 8*d.* in all, to the 300*l.* which they have already expressed their willingness to contribute for the purpose.

I am, &c.

LOUIS MALLET.

[8871]

No. 307.

Foreign Office to Indo-European Telegraph Company.

Sir,

Foreign Office, March 14, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 9th instant relative to the request which your company have received from the Russian Government to submit proposals for the repair, maintenance, and working of certain telegraph lines in Persia.

I am to express to you Sir E. Grey's thanks for this communication, and to state that he would be grateful if Mr. Casey could be instructed, as therein proposed, to call at His Majesty's Embassy at St. Petersburg in the course of his approaching visit to that capital.

I am to add that a copy of your letter has been forwarded to His Majesty's Ambassador.

I am, &c.

LOUIS MALLET.

[9546]

No. 308.

Sir G. Barclay to Sir Edward Grey. (Received March 15.)

(No. 84.)

(Telegraphic.) *Decode.*

Tehran, March 15, 1911.

LAST detachment Russian troops left Kazvin this morning, eighty men being retained as consular guard.

[9650]

No. 309.

Board of Trade to Foreign Office. (Received March 16.)

Sir,

Board of Trade, March 14, 1911.

I AM directed by the Board of Trade to advert to your letter of the 29th December last, and to state that the Board have received from Messrs. Ellinger and Co. copies of all invoices relating to their deliveries of oxide during the twelve months the 1st April, 1909, to the 31st March, 1910, from which it appears that the average prices realised were 68*s.* 2*d.* per ton on 4,562 tons delivered from Avonmouth stocks in that period and 75*s.* 11*d.* per ton on 1,808 tons delivered from Nordenham stocks. In an interview between Mr. Martin Ellinger and the Assistant Secretary of the Commercial Department of the Board of Trade on the 15th February last, Mr. Ellinger stated that the costs of laying down the oxide at Avonmouth and at Nordenham were substantially identical, the charges at the latter port being slightly below those at Avonmouth.

It would appear, therefore, that, had sales of the stocks referred to in print No. 22,779/10 been made at the average prices shown by Messrs. Ellinger's invoices for 1909-10, the profit realised would have been 10*s.* 2*d.* per ton (see Statement (A) enclosed).

The Board understand from Mr. Ellinger that, so far as relates to the claim for damages submitted on behalf of Messrs. Andrew Weir and Co., they desire to adhere to the form previously submitted, and a statement of the sum claimed, amended in accordance with the complete data referred to above in reference to the average prices and profit realised in 1909-10 and anticipated in respect of the stock held on the termination of the contract formerly held by them, is attached (see Statement (B)).

With reference to Messrs. Ellinger's claim, the Board are informed that the

specification of the amount of 31,000 tons in the second item represents a claim for the loss of commissions, in anticipation of which the firm had incurred outlay and entered into commercial arrangements, and for the damage suffered by them in their business through the breach of contract. The figures put forward as a measure of this damage and loss are found to represent less than five years' losses of commission on the basis of the average sales of oxide in Europe during the period March 1907-February 1911. Messrs. Ellinger's claim is shown on the attached Statement (B), but the question of the period upon which compensation for estimated losses should be based, if the period of five years be not accepted by the Foreign Office, is one which should be determined by an arbitrator.

While the Board of Trade note from the correspondence that encouragement appears to have been given officially to Messrs. Ellinger to establish business relations having in view a more or less extended period of supply of red oxide, they are unable, without an inspection of the original grant by the Persian Government to the Muin-ut-Tujjar, to offer any observations on the subject of the legal validity of the claim made by Messrs. Weir and Ellinger. They have some doubt whether the Firman of 1904, as given in translation on Print No. 2162/09, can be held to afford a definite assurance that the grant was a perpetual one, but they note from Print No. 5181/11, enclosed in your letter of the 1st March, that Messrs. Strick have definitely undertaken full responsibility for any lawful claim by Messrs. Weir and Ellinger against either the Persian Government or the Muin-ut-Tujjar.

I am, &c.

GEO. J. STANLEY.

Enclosure in No. 309.

STATEMENT (A).

Sales by Ellinger and Co. during 1909-10.

From Avonmouth stock—					£	s.	d.
About 4,562 tons 2 cwt.	at	15,552	4	4			
Or an average of 68 <i>s.</i> 2 <i>d.</i> per ton.							
From Nordenham stock—							
About 1,808 tons 8 cwt.	at	6,864	0	7			
Or an average of 75 <i>s.</i> 11 <i>d.</i> per ton.							
At these rates the stocks referred to in Print No. 22779/10 would be worth—							
4,095 tons at Avonmouth		13,957	2	6			
2,488 .. Nordenham		9,444	0	8			
6,583		23,401	3	2			
Or an average of 71 <i>s.</i> 1 <i>d.</i> per ton.							

The laying down cost being taken at 60*s.* 11*d.* per ton, the average profit on this basis would be 10*s.* 2*d.* per ton.

STATEMENT (B).

The claims amended on this basis would therefore be as follows:—

Claim by Messrs. Andrew Weir and Co.—	£	s.	d.
Anticipated value of stock of oxide at Avonmouth and Nordenham	23,401	3	2
Loss of profit on undelivered balance of 5,218 tons	2,652	9	8
Total	26,053	12	10

From which amount there falls to be deducted the price secured for the oxide as and when sold, less storage charges, interest, &c., after (say) October 1, 1910.

Claim by Messrs. Ellinger and Co.—	£	s.	d.
Loss of commission on undelivered balance of 5,218 tons of oxide	554	8	0
Damages for loss of agency, say, five years' commissions, which, on the average sales of 1907-11, would have exceeded the claim made for	3,487	10	0
Total	4,041	18	0

[1768]

3 C

[9293]

No. 310.

Foreign Office to Messrs. Dixon and Co.

Gentlemen,

Foreign Office, March 16, 1911.

WITH reference to the letter from this Office of the 10th instant, relative to the prospects of recovering the amount of British claims from the Persian Government, I am directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran reporting that His Majesty's consul at Shiraz has no indication that the Governor-General of Fars has recovered any arrears of taxation, but that he will make enquiries on the subject on his Excellency's arrival at Shiraz.

Sir G. Barclay expresses the opinion that if the facts were as reported to you the consul would probably have become aware of them.

I am, &c.

LOUIS MALLET.

[9755]

No. 311.

India Office to Foreign Office.—(Received March 17.)

Sir,

India Office, March 16, 1911.

IN reply to the last paragraph of your letter of the 31st December, 1910, regarding the arrangement come to between the Persian Government and the Imperial Bank of Persia as to the Anglo-Indian loan of 1903-4, I am directed to inform you that it is true, as stated by the Imperial Bank, that in the total sum due by the Persian Government on the 20th March, 1910, amounting to 314,281*l.* 16*s.* 4*d.*, a sum of 42,261*l.* 0*s.* 9*d.* was included for capitalised arrears of interest, and the Secretary of State in Council is prepared to agree that one-fifth of the latter amount shall in due course be retained by the bank. But his Lordship cannot agree that the whole of the one-fifth shall be retained from the first instalment of principal payable by Persia in March 1913. He is willing, however, that of the sums payable by Persia in redemption of principal under the new arrangements the first 42,261*l.* 0*s.* 9*d.* shall be regarded as in payment of the interest due at the 20th March, 1910, and that the Imperial Bank shall be allowed to retain one-fifth of this sum in addition to one-fifth of the instalments of interest payable under the new amortisation scheme. On the assumption that the payments due from Persia under the new scheme are regularly made, the sums to be retained by the Bank in 1913-14 and succeeding years will be as follows:—

Year.	One-fifth of Interest Instalment.	One-fifth of Instalments of Capital agreed to be taken as representing Capitalised Interest.	Total.
	£ s. d.	£ s. d.	£ s. d.
1913-14 ..	3,142 16 4	2,912 18 2	6,055 14 6
1914-15 ..	2,997 3 5	3,058 11 1	6,055 14 6
1915-16 ..	2,844 4 11	2,480 14 11	5,324 19 10
		8,452 4 2	
1916-17 ..	2,683 13 5	..	2,683 13 5

and thenceforward one-fifth of the interest paid.

I am, &c.

R. RITCHIE.

[9753]

No. 312.

India Office to Foreign Office.—(Received March 17.)

Sir,

India Office, March 16, 1911.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 22nd February, forwarding a bill for the equivalent of 3,000 toman's tendered by the Persian Government in settlement of the claim of His Majesty's Government for compensation for the murder of the two sowars forming part of Mr. J. H. Bill's escort.

In reply, I am to say that Viscount Morley agrees with the Secretary of State for Foreign Affairs that in the circumstances His Majesty's Minister at Tehran did well to accept this sum, and that his action should accordingly be approved.

The Government of India will be requested to make the necessary distribution to the relatives or dependents of the deceased.

I am, &c.

R. RITCHIE.

[9805]

No. 313.

India Office to Foreign Office.—(Received March 17.)

Sir,

India Office, March 16, 1911.

WITH reference to the correspondence noted in the margin,* I am directed by the Secretary of State for India to inform you that of the total expenditure on the military attachéship at Meshed up the 21st October, 1908, the following sums were incurred on the pay of the officer:—

	Rs.	a.	p.	£	s.	d.
1904-5	10,316	7	7	687	15	4
1905-6	10,770	12	0	718	1	0
1906-7	10,870	2	0	724	13	6
1907-8	10,701	6	0	713	8	6
1st April, 1908, to 21st October, 1908 ..	6,913	5	2	460	17	9
	49,572	0	9	3,304	16	1

and I am to request that one-half of this sum, viz., 1,652*l.* 8*s.*, may be paid to this Office, a receivable order being enclosed for the purpose. Claims in respect of subsequent expenditure on the post will be submitted in due course.

I am, &c.

R. RITCHIE.

[9946]

No. 314.

Messrs. Dixon and Co. to Sir Edward Grey.—(Received March 18.)

Sir,

Princess Street, Manchester, March 17, 1911.

WE have to acknowledge, with thanks, your letter dated the 16th instant, and note that His Majesty's Minister at Tehran has no information of any arrears of taxation recovered by the Governor-General of Fars.

Our correspondent writes from Bushire, and we have no reason to doubt the accuracy of his reports. We think it quite natural that the Shiraz consul should not have information on this subject, but we think it extremely probable that Lieutenant-Colonel Cox, the Bushire resident, would have information to the same effect as our correspondent. As a matter of fact, the long delay of the Nizam-es-Sultaneh, the new Shiraz governor, reaching Shiraz, is accounted for by his operations against the Tangistanes and other chiefs for the collection of arrears of taxation from them.

We are, &c.

H. C. DIXON AND CO.

* India Office to Foreign Office, September 2, 1910; Foreign Office to India Office, February 20; India Office to Foreign Office, March 3, 1911.

[9948]

No. 315.

Messrs. Ziegler and Co. and Others to Sir Edward Grey.—(Received March 18.)

Sir, 46, Sackville Street, Manchester, March 17, 1911.
WE have the honour to address you in connection with our letter of the 1st March, relating to telegraphic advices of extremely heavy robberies in the neighbourhood of Shiraz, and on the Shiraz-Ispahan caravan route. In the course of this letter we remarked as follows:—

"If it should prove to be the case that these troops were actually within the near neighbourhood of the disturbed area, then it makes the situation all the more serious, as it would tend to prove that these troops are either incompetent or are themselves implicated in the robberies."

Mail advices are just to hand, dated Ispahan, the 25th February, advising as follows:—

"Notwithstanding the presence of troops, the Shiraz-Ispahan route is again very unsafe."

"On the 18th February a caravan was attacked within 2 farsakhs (about 8 miles) from Shiraz, within view of a portion of the new army. On the 24th, telegraphic advices were received in Ispahan that, on the 22nd February, another caravan of 500 camels was attacked by about 300-400 Arabs (meaning Kashgais), who carried away 201 loads. This robbery occurred at a distance of 3 farsakhs from Shiraz. Besides these two attacks on caravans, advices from a reliable source report two more robberies: one at Meyam Mulbah (between Dehbid and Mourgab), and one at Aba Barik (between Yarghan and Shiraz). Both occurred on the 22nd. In the first instance five mule loads were looted, and in the second instance 160 camels with loads were carried off. As a result of all this brigandage, the forwarding of goods has arrived at another deadlock."

We understand it is a fact that the ultimatum to the Persian Government was not carried into effect because the Persian Government were making a plausible show of complying with the demands of His Majesty's Government that adequate measures should be taken to restore order on the trade routes, and that if the steps taken by the Persian Government were inadequate for the purpose, then His Majesty's Government would carry into operation its own measures for restoring order.

We can understand the necessity for delay when the Persian Government have dispatched troops to put down the disturbances, but we feel most strongly that when those troops arrive on the scene of action and quietly stand by while the brigands carry off their booty, the time for forbearance and further delay has gone past, and that strong and effective measures are urgently necessary.

From mail advices quoted, which are confirmed from several sources, there appears to be no doubt whatever but that two of the robberies reported above were in the immediate presence of the Persian Government's troops, and it is not unreasonable to assume that they have their share of the booty.

We think it difficult to conceive a more utterly unsatisfactory position, and we trust you will be able to give us an assurance that this state of affairs will no longer be tolerated.

We have, &c.

PH. ZIEGLER AND CO.
H. C. DIXON AND CO.
(For Hadji Ali Akbar and Sons, Limited).
HUSSEIN AGHA,
Managing Director.

[9885]

No. 316.

Sir G. Barclay to Sir Edward Grey.—(Received March 18.)

(No. 85.)

(Telegraphic.) P.

MINT contract.

I have the honour to report with reference to my despatch No. 44 of the 24th March, 1910, that Imperial Bank of Persia's mint contract with Persian Government will expire on the 21st March of the current year.

The Banque Nationale d'Escompte is anxious to share the business with Imperial Bank in the future, but the latter are unwilling to admit Russian participation, and attach the greatest importance to securing the renewal of the contract on its present footing.

I understand that the Russian bank is therefore competing to secure the business.

Mr. A. O. Wood has not yet asked for the support of the legation. Were he to do so, I should be in some perplexity, as I should be brought into conflict with Russian Minister if I were to assist Imperial Bank in the matter.

Some time ago M. Powlewsky informed Mr. Wood that this business could not be undertaken by the Russian bank. He has lately however completely changed his attitude, and I do not doubt that he will lend his support to the Banque d'Escompte.

Any representations made by M. Powlewsky are the more likely to meet with a response now that the Sipahdar, whose Russian proclivities are well known, is in power.

Tehran, March 18, 1911.

[9978]

No. 317.

Sir G. Barclay to Sir Edward Grey.—(Received March 18.)

(No. 86.)

(Telegraphic.) R.

SOUTHERN roads.

Caravan traffic is suspended between Bushire and Borasjun, owing to hostilities between two rival chiefs, supported respectively by Governor-General of Fars and the Governor-General of the Gulf ports. I am urging Persian Government to send peremptory instructions to two governors to compel their two protégés to make peace.

Tehran, March 18, 1911.

[9979]

No. 318.

Sir G. Barclay to Sir Edward Grey.—(Received March 18.)

(No. 87.)

(Telegraphic.) P.

I HAVE the honour to report that the joint note of the 16th February, 1910, formulating the conditions of the proposed advance, together with all subsequent correspondence that has passed between two legations and the Persian Government on the subject of loans and concessions, and terminating with the note of the 4th September, in which Persian Government's note of the 3rd September was returned, appeared in the "Irani Now," a Tehran newspaper, on the 15th March. Information purports to have been derived from the *Habl-ul-Matin* of Calcutta.

Tehran, March 18, 1911.

[9885]

No. 319.

Sir Edward Grey to Sir G. Barclay.

(No. 75.)

(Telegraphic.) P.

BANK'S mint contract.

Your telegram No. 85 of the 18th March.

The best way out of the difficulty would be an arrangement with the Russian Bank, and I will discuss the matter with Sir T. Jackson, if necessary, though I should be inclined not to intervene unless approached by the bank.

Is there any insurmountable objection to this line of action?

Foreign Office, March 18, 1911.

[9072]

No. 320.

Sir Edward Grey to Sir G. Buchanan.

(No. 81.)

Sir,

Foreign Office, March 18, 1911.

I HAVE received your Excellency's despatch No. 53 of the 7th instant, reporting a conversation with the Russian Minister for Foreign Affairs relative to the advance of 120,000 tomans for which the Persian Government have applied to the Imperial Bank of Persia.

I transmit to your Excellency herewith copies of telegraphic correspondence with His Majesty's Minister at Tehran relative to a further application of a similar nature, since received by the bank,* and I have to request you to take an opportunity of bringing the circumstances to the knowledge of the Russian Government.

I am, &c.

E. GREY.

[10001]

No. 321.

Sir G. Lowther to Sir Edward Grey.—(Received March 20.)

(No. 152. Confidential.)

Sir,

Pera, March 9, 1911.

THE Russian Ambassador told me to-day that he had recently had a long conversation with Rifaat Pasha regarding the Turco-Persian frontier questions. His Excellency complained that M. Sazonow had been rather severe on Turkhan Pasha as regards Turkish inroads into Persia. Rifaat Pasha declared that he was very anxious that the attitude of Turkey which was based on a misapprehension should be made clear to the Russian Government. His Excellency explained that the movement of troops complained of had already begun before the declaration of the constitution. It was moreover a grave error to suppose that these movements were directed to the eventual occupation of strategic points on the frontier, which might be used against Russia in the future. They had merely advanced to certain points where the interests of Turkish subjects required protection in view of the weakness and incapacity of the local Government, and his Excellency trusted that as indications were not wanting now of a more stable condition of affairs in Persia, the time was not far distant when it would be possible to establish, together with a Persian commission and with the help of the proper documents, the points, if any, which had been irregularly occupied. He did not maintain that all the points which Turkish troops had occupied were necessarily Turkish. His Excellency did not make any mention of the participation of any foreign Power in the proposed delimitation negotiations.

Although Rifaat Pasha does not seem to have been at all definite, M. Tcharykow said he was impressed by the fact that Rifaat Pasha spoke in a conciliatory spirit, and he seems to have been impressed with a conviction that the Turkish Government really desired to come to a settlement of these frontier questions.

Rifaat Pasha has not spoken to me on the subject.

I have, &c.

GERARD LOWTHER.

[9946]

No. 322.

Sir Edward Grey to Sir G. Barclay.

(No. 76.)

(Telegraphic.) P.

Foreign Office, March 20, 1911.

GOVERNOR-GENERAL of Fars. Your telegram No. 83 of 13th March.

With reference to steps taken by Governor-General to recover arrears of taxation, Colonel Cox might be able to check information contained in my telegram No. 65 of the 10th March, which came from Bushire.

* Nos. 283 and 286.

[10263]

No. 323.

Sir Edward Grey to Sir G. Barclay.

(No. 77.)

(Telegraphic.) P.

Foreign Office, March 20, 1911.

HAVE you any information as to rumour that Germans have secured site for factory at south end of Abadan Island as reported in telegram shown to us by Messrs. Strick, Scott & Co?

[9984]

No. 324.

Sir Edward Grey to Sir G. Buchanan.

(No. 93.)

(Telegraphic.) P.

Foreign Office, March 20, 1911.

I ENTIRELY approve your language as reported in your telegram No. 58. The President of the Council might be informed that primarily our object is to retain our present position, and to secure advantages for access of British trade to Tehran equal to those assured to German trade by the Potsdam agreement, and this we must find some way of accomplishing. The proposed Mohammerah-Khoremsabad line would not in all probability increase the competition of British goods; it would merely divert existing traffic, which already goes to Persia by Bagdad and Kermanshah. It would be as well to impress this fact on M. Stolypin, as its import is apparently not appreciated at St. Petersburg.

[8890]

No. 325.

Sir Edward Grey to Mirza Mehdi Khan.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Persian Minister, and has the honour to acknowledge with thanks the receipt of his communication of the 8th instant relative to the steps taken by the Persian Government to restore order in the roads of Southern Persia, to restore stolen property to its owners, and punish the robbers.

Foreign Office, March 20, 1911.

[10423]

No. 326.

Memorandum in reference to Railway Enterprise in South-Western Persia.—
(Communicated by Sir T. Gordon, March 21.)

THE concession for the Tehran-Ahwaz cart road (about 570 miles), granted by the Persian Government in 1889, was held by the Imperial Bank of Persia till 1904, when it was sold to the Persian Transport Company (Limited), a British institution with its headquarters in London. At that time the road was completed to Kum (100 miles), and nearly completed thence to Sultanabad, a further distance of 80 miles. The Imperial Bank of Persia originally embarked in this enterprise with the view of starting a road and transport company to work it, but failed to raise the required capital, and they only succeeded in keeping the concession alive by a considerable sacrifice of money.

There was always the idea that this road to connect Tehran with the Karun port of Ahwaz, within easy reach of the Persian Gulf, would draw to itself and develop the main portion of the traffic between the sea and the rich central districts of Persia, and eventually form the line for a railway, and I think the promoters of the present Persian Transport Company looked for their reward in a future railway scheme.

When I passed down the proposed route from Tehran in 1889-90 in company with Mr. A. Macqueen, C.E., who had been engaged by the Imperial Bank of Persia for the road enterprise, I had the advantage of his excellent professional experience in forming the opinions which I recorded in a report dated January 1890, and which was published in the Consular Papers series of that year. I saw that as a first step towards a regular trade route, which might be developed into a road for cart or rail, a good mule track on an easy alignment should be made to complete the connection with Ahwaz and

Mohammerah, and I suggested the formation of a road and river company, to include the Messrs. Lynch and the Persian "Nasiri" Navigation Companies, both of these then, as now, running steamers on the Karun, from Mohammerah to Ahwaz and Shuster. Nothing resulted from that suggestion, but both parties continued to improve the means of trade communications. The Nasiri Company constructed a horse tramway (2 miles) to facilitate the transshipment of goods past the rapids, which block the river passage at Ahwaz, and Messrs. Lynch, in co-operation with the Bakhtiari chiefs, opened up a caravan track, sufficiently well bridged, between Ahwaz and Isfahan (250 miles), which has given a great impetus to commercial traffic.

In 1901 the efforts of the Imperial Bank of Persia at road making came to an end on the extension from Kum reaching Sultanabad, in all 180 miles from Tehran, and it was decided that the time had arrived to free the bank from a responsibility which had been reluctantly assumed, which was alien to its business, and from which the board had long desired and endeavoured to be relieved. It was then proposed to sell the northern portion of the road, Tehran to Sultanabad, to the Persian Government, and to invest a portion of the proceeds in road operations northward from Shuster towards Khorremabad and Sultanabad. It was noted that it would be sufficient for a beginning to open up a mule track from Dizful to Khorremabad, following the easy line previously mentioned, as the existing roads from Shuster to Dizful (36 miles) and from Khorremabad to Burujird and Sultanabad (120 miles) were good enough for mule transport. Eventually, in 1904, the Persian Transport Company was formed, taking over the road concession from Tehran to Ahwaz, the interests of Messrs. Lynch in the Bakhtiari road, and the same firm's interest in the steamer "Shushan" trading between Ahwaz and Shuster, with the Euphrates and Tigris Navigation Company and the Imperial Bank of Persia as shareholders.

The general feeling of insecurity which has prevailed in Persia for some considerable time past checked the new company's progress, and their desire to make a good survey of the easy route between Dizful and Khorremabad already mentioned was rendered impossible. This part of Luristan at all times has been a haunt of robbers, and latterly the local Government became quite unable to afford proper protection to traders and others. Had it been otherwise, the Persian Transport Company would probably now have been in possession of a good road survey, sufficient for the preliminary purposes of a railway survey of what is believed to be the most promising line of route from the Karun valley to the fertile provinces of Western and Central Persia. The route traverses districts well watered by perennial streams from snow-clad mountains, and which are capable of considerable development in pastoral and agricultural industries. The Nomad Lur population are miserably poor owing to their predatory habits, which stand in the way of improvement in life. Their Lur brethren, the Bakhtiaris, under better inspiration, have advanced into civilisation, while they have remained semi-savage. Still, under an honest and sympathetic Government, they are capable of advancement.

The Persian Government opened a trade route from Khorremabad to Dizful, with a telegraph line on it, about 1888, and the Lur tribes, through whose lands the road ran, were allotted fixed allowances for its protection, but these soon fell into arrear. It was hardly to be expected that the same system of deferred and reduced payments, which at that time unfortunately prevailed in the Persian public service, would be accepted patiently by a starving people who had long been given to robber habits, and accordingly the route soon became unfrequented and the telegraph line destroyed. This was the state in which I found it in December 1889. It struck me that the Lurs would take to work if fairly treated and honestly paid, and I was told that for the construction of the proposed new road there would be no difficulty in getting labourers from the neighbouring Lur tribes. The money actually spent among such people during the construction of roads and railways has a marvellous pacifying influence, and, with the means of satisfying long-felt wants within reach, the desire to make money generally overcomes temptation to turbulence. Excellent workmen could also be obtained from Hamadan (130 miles), men accustomed to organised labour on railway tracks, for several thousands were so employed on the Caucasian lines.

The dividing line of the British and Russian spheres of influence bars a British railway going beyond Khorremabad, but with an improved caravan track to Burujird and Sultanabad under the British Transport Company, easy access would be given to Hamadan in the one direction and Kum and Tehran in the other. Wagons now run between Tehran and Sultanabad. Isfahan is easily approached from a point about 40 miles on the road from Khorremabad by a route passing through settled country (170 miles). This route lies within the Russian sphere.

For goods consigned to Hamadan by the Karun route there would be—

Mohammerah to Shuster, by river, 160 miles,
Shuster to Dizful, by caravan, 36 miles,
Dizful to Khorremabad, by rail, 170 miles,
Khorremabad to Hamadan, by caravan, 150 miles,

which seems to show a considerable advantage over the Bagdad route with its 280 miles of caravan transport and the Turkish transit dues.

If the country is favourable for a railway from Dizful to Mohammerah, this, under an advanced scheme, would soon supersede river transport, and add greatly to the advantages of the Karun route; and it is possible that a Persian company, under competent European management, might build a light line from Hamadan to Khorremabad, so as to open a direct way to the sea for local produce, which at present cannot be exported owing to the prohibitive rates of caravan transport.

In this paper I have in view a light line of railway (2 ft. 6 in. gauge).

T. E. GORDON.

March 3, 1911.

[10461]

No. 327.

Sir G. Barclay to Sir Edward Grey.—(Received March 21.)

(No. 88.)

(Telegraphic.) P.

MINT contract.

Tehran, March 21, 1911.

In reply to your telegram No. 75 of the 20th March, I have the honour to report that bank manager appears to consider that the objections in the way of an agreement with the Russian bank are insurmountable. He has not, however, informed me of the nature of these objections. In the circumstances, unless he asks for the support of the legation, I prefer not to press him for an explanation.

Mr. A. O. Wood appears sanguine as to Imperial Bank's chance of obtaining renewal of the contract.

[10462]

No. 328.

Sir G. Barclay to Sir Edward Grey.—(Received March 21.)

(No. 89.)

(Telegraphic.) P.

Tehran, March 21, 1911.

COLONEL COX telegraphs as follows with reference to your telegram No. 76 of the 20th March:—

Information furnished by their agent has seemingly been misunderstood by Messrs. Dixon.

I understand that the principal chief of Tangistani offered to pay a portion of the revenue, but offer was not accepted, and Nizam-es-Sultaneh, who dispatched an expedition against him last month when fighting ensued, now regards him as a rebel. Nizam has received payments from some of the chiefs between Bushire and Shiraz, but in the majority of cases such payments were on account of personal property rented from his Excellency by the chiefs in question. With regard to outstanding British cases, I asked Governor-General to recover several commercial claims on his way up to Shiraz, but I have heard nothing to indicate that he has taken any action in the matter.

[10341]

No. 329.

Sir G. Buchanan to Sir Edward Grey.—(Received March 21.)

(No. 61.)

(Telegraphic.) R.

St. Petersburg, March 21, 1911.

TURCO-PERSIAN frontier.

I have received *aide-memoire* from Ministry of Foreign Affairs stating that instructions have been sent to Russian Ambassador at London to beg you to instruct

[1768]

3 E

Sir G. Lowther and Sir G. Barclay to concert measures with their Russian colleagues for appointment of Turkish and Persian delegates to accompany Russian and British representatives to districts occupied by Turkish troops.

Russian Minister at Tehran thinks that mission should start at end of April.

Aide-mémoire suggests that representatives should be accompanied by guard from Caucasus, and that choice of Russian and British representatives should be left to Minister at Tehran.

[7325]

No. 330.

Foreign Office to India Office.—(Received March 21.)

Sir,

Foreign Office, March 21, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 25th ultimo, relative to the reduction of expenditure in connection with His Majesty's consular establishments in Persia, and to the proposed substitution, in the case of certain of the consular officers serving in that country, of members of the Levant consular service for servants of the Indian Government.

I am to state that, before replying to your letter in detail, Sir E. Grey would be glad to learn what are the views of the Viceroy of India on the latter question, and I am to suggest, if Lord Morley sees no objection, that his Excellency should be requested to furnish them.

I am, &c.

LOUIS MALLET.

[9948]

No. 331.

Sir Edward Grey to Sir G. Barclay.

(No. 83.)

(Telegraphic.) P.

Foreign Office, March 22, 1911.

ROBBERIES on Persian roads. Your telegram No. 70 of the 28th February.

Have you any information as to assertion of Manchester firms that two out of four robberies, three of which took place on the 22nd February, 12 miles from Shiraz, between Dehdib and Murgab and between Yarghan and Shiraz respectively, and one of which took place on the 18th February, 8 miles from Shiraz, two were perpetrated under the eyes of the troops (including that of the 18th February), and implication that troops shared in plunder?

[10463]

No. 332.

Sir Edward Grey to Sir G. Barclay.

(No. 84.)

(Telegraphic.) P.

Foreign Office, March 22, 1911.

RAILWAYS in Persia.

Are you still of view that we should be well advised not to remind Regent of undertaking made by Shah?

[11340]

No. 333.

Papers communicated by M. Daeschner, March 23, 1911.

(1.)

Note verbale remise par l'Ambassadeur de Russie à Paris au Ministère des Affaires Étrangères.

CERTAINES paroles prononcées par le Régent de Perse à son passage par la Russie permettent de croire que Nasr-el-Mouk serait disposé à rappeler en Perse M. Bizot en qualité de conseiller financier. L'Ambassadeur ajoutait que, de l'avis du

Gouvernement russe, cette éventualité serait particulièrement désirable, vu l'entrée au service de la Perse de plusieurs Américains. Le retour de M. Bizot pourrait difficilement, selon lui, soulever des objections ou donner lieu à l'Allemagne de chercher à faire engager des Allemands au service persan, M. Bizot ayant déjà occupé le poste en question et la cessation de ses fonctions n'ayant jamais été officiellement proclamée.

Le Gouvernement Impérial de Russie demandait à connaître l'opinion du Gouvernement français à ce sujet, ainsi que les dispositions de M. Bizot lui-même.

Paris, le 15 février, 1911.

(2.)

Le Ministre des Finances à M. Jean Cruppi, Ministre des Affaires Étrangères.

Paris, le 9 mars, 1911.

A LA date du 18 février dernier, votre prédécesseur a bien voulu faire savoir à M. Klotz que l'Ambassadeur de Russie lui avait remis une note dans laquelle il exposait que le Régent de Perse, Nasr-el-Mouk, avait laissé entendre à son passage en Russie qu'il serait disposé à rappeler en Perse M. Bizot en qualité de conseiller financier. Le Gouvernement russe, de son côté, jugeant cette éventualité particulièrement désirable, vu l'entrée au service de la Perse de plusieurs Américains, M. Isvolsky avait exprimé le désir d'être renseigné sur les dispositions de M. Bizot à ce sujet.

Afin de vous mettre en mesure de répondre à M. Isvolsky, j'ai l'honneur de vous communiquer la lettre que j'ai reçue de M. Bizot, à qui il a été donné connaissance de la dépêche le concernant.

Comme vous, je verrais avec satisfaction toute solution qui nous permettrait de donner aux Cabinets de Saint-Petersbourg et de Londres une nouvelle marque de notre bon vouloir, en secondant l'œuvre de réorganisation financière et fiscale qu'ils ont entreprise en Perse.

(3.)

L'Inspecteur des Finances Bizot à M. le Ministre des Finances.

Paris, le 6 mars, 1911.

VOUS avez bien voulu me communiquer une lettre de M. le Ministre des Affaires Étrangères relative à la mission du conseiller financier en Perse et me demander si je serais disposé à reprendre les fonctions dont j'ai été chargé en 1908.

J'ai l'honneur de vous rendre compte de l'impossibilité où je me trouve, pour des raisons personnelles, de prendre vis-à-vis du Gouvernement Impérial un engagement de longue durée. Je le regrette, car mon plus vif désir eût été de continuer l'œuvre commencée en vue de la réorganisation des finances persanes.

D'un autre côté, le souci des intérêts du pays qui fait appel à notre concours et la préoccupation de donner à ce concours une forme profitable m'amènent à croire que, dans les circonstances présentes, le conseiller financier français ne puiserait pas dans ses attributions l'autorité et la force suffisantes pour mener à bien la tâche qui lui serait confiée.

Je reconnais que les conclusions de mes rapports ont été adoptées : le Gouvernement persan s'est décidé à mettre à la tête de plusieurs services financiers des directeurs étrangers. On pourrait donc alléguer que nous ne devons pas nous soustraire à l'obligation de poursuivre la réalisation des réformes proposées.

Aux raisons que j'ai maintes fois exposées et que j'ai développées dans le rapport ci-annexé en demandant qu'on remplaçât, dans l'avenir, le conseiller financier par un agent d'exécution, vient s'en ajouter une nouvelle d'une particulière importance.

Si les nouveaux services à créer avaient eu des directeurs français, on aurait pu donner au conseiller français la mission de les représenter auprès du Ministre des Finances, afin de maintenir une indispensable unité d'action.

Or, l'"Evening Star" du 10 février, 1911, annonce l'engagement de Mr. W. Morgan Schuster, fonctionnaire américain, comme trésorier général de Perse.

Le conseiller financier français pourrait-il jouer le même rôle avec des collaborateurs de diverses nationalités : belges, américains . . . appliquant chacun leurs

méthodes et très jaloux de leurs prérogatives? Son intervention n'aboutira-t-elle pas le plus souvent à créer des froissements ou des conflits aussi nuisibles à la bonne exécution des services qu'à nos relations internationales?

Si malgré l'engagement des fonctionnaires américains, la Perse entend orienter sa politique financière vers notre influence française, si elle insiste à nouveau pour que le conseiller financier soit français, peut-être pourrions-nous faire comprendre au Gouvernement de Téhéran qu'il aurait intérêt à choisir en France un directeur des services financiers plutôt qu'un conseiller.

Cet agent aurait des fonctions définies qui lui permettraient de faire prévaloir ses méthodes et de donner des preuves de l'utilité de son intervention. Il pourrait être chargé de centraliser et de vérifier la comptabilité de toutes les recettes et de toutes les dépenses de l'Empire.

J'avais demandé qu'on réservât à cet emploi le service de la trésorerie, le paiement des dépenses et la perception de l'impôt "malat". La perception du "malat" vient d'être confiée à Mr. W. Morgan Schuster. Le Gouvernement persan ne peut pas revenir sur cette décision; mais il serait facile de rattacher à la direction des services financiers d'autres branches de l'administration.

D'ailleurs, le directeur des services financiers aurait-il seulement à organiser la comptabilité budgétaire au Ministère des Finances, qu'il serait désigné pour jouer le principal rôle parmi les fonctionnaires étrangers. Son action, comme en France celle du directeur général de la Comptabilité publique, se ferait sentir sur tous les services.

Il disposerait d'éléments d'information suffisants pour renseigner le Ministre des Finances sur la situation du pays et lui permettre d'introduire les réformes nécessaires. Il aurait tout naturellement à traiter les questions qui sont du domaine propre du conseiller, projets d'emprunt, examen et règlement des difficultés d'ordre financier avec les Puissances étrangères. . . .

Le Gouvernement Impérial de Perse accueillera peut-être nos propositions. Dans le cas où il manifesterait le désir de mon retour à Téhéran afin d'installer un nouveau fonctionnaire français, je me ferais un devoir de répondre à cet appel et de passer en Perse les quelques mois pendant lesquels mon concours serait jugé utile.

(4.)

*Rapport par l'Inspecteur des Finances Bizot à M. l'Inspecteur des Finances,
Chef du Service à Paris.*

J'ai passé deux années à Téhéran, j'ai eu le temps d'étudier la situation financière, j'ai fait des rapports, j'ai indiqué les réformes nécessaires.

Mes rapports ont été traduits, mais les interprètes les mieux qualifiés ne trouvaient même pas dans leur langue les mots correspondant à des fonctions inusitées. Les fonctionnaires en place ne pouvaient se résoudre à abandonner leurs méthodes traditionnelles. Les Ministres des Finances les mieux intentionnés faisaient appel à des hommes nouveaux, à des jeunes gens élevés en Europe, à des Arméniens commis de banque sans aucune formation administrative. Toutes ces bonnes volontés n'étaient pas dirigées et s'épuisaient en des travaux mal coordonnés ou inutiles, tandis qu'on aurait pu les rendre productives sous les ordres d'un chef; les résultats obtenus par les fonctionnaires belges placés à la tête de l'Administration des Douanes en sont une preuve manifeste.

Les projets de réforme les mieux étudiés sont inutiles sans une administration pour les exécuter. Je ne dis pas qu'il n'y ait en Perse aucune organisation financière, mais les rouages de cette organisation basée sur le régime ancien du forfait avec les gouverneurs de provinces répondent à une conception de pouvoir différente de celle qu'on veut introduire; ils ne peuvent se plier aux nécessités de l'ordre nouveau: régime constitutionnel, vote du budget par les Chambres, comptabilité publique, contrôle du Gouvernement central sur tous les faits de recettes et de dépenses aussi bien à Téhéran que dans les provinces.

Les hommes éclairés ne contestaient pas la nécessité de demander à l'étranger des hommes capables d'appliquer ces principes nouveaux; cependant ils hésitaient. Dans l'opinion publique, les idées d'indépendance et de souveraineté nationale devaient exclure toute ingérence étrangère dans la direction des services. On répétait que la Perse avait besoin de professeurs, de "savants"; la Chambre était disposée à faire de grands sacrifices pour engager des conseillers, mais elle ne voulait pas d'administrateurs étrangers.

Je ne cessais de répéter que puisque les Ministres conserveraient la haute direction des affaires du pays et le contrôle des actes des fonctionnaires étrangers engagés par eux, ils seraient armés contre des initiatives opposées à l'orientation de la politique nationale.

J'insistais sur ce fait que le conseiller financier ne pouvait à lui seul assumer la lourde tâche d'instruire tout un personnel administratif. La situation financière était trop critique pour laisser au pays le loisir des longues discussions et des études théoriques. Le meilleur conseiller n'est-il pas, au reste, celui qui tire ses enseignements des difficultés rencontrées dans l'exécution d'un service dont il a la charge?

Guidé par ces considérations, j'avais demandé et obtenu en 1909 que le Gouvernement Impérial de Perse s'adressât à la France pour l'engagement d'un fonctionnaire chargé de la centralisation des comptes, de la perception de l'impôt "malat" et du paiement des dépenses. Ce fonctionnaire aurait eu des attributions analogues à celles d'un trésorier général, mais plus importantes. Il aurait perçu le "malat" à Téhéran et aurait peu à peu étendu son action dans les provinces. Il aurait été chargé de l'organisation de la comptabilité au Ministère des Finances.

Centralisant tous les comptes de recettes et de dépenses, il aurait, à côté du Ministre des Finances, collaboré à la préparation du budget et joué le rôle du directeur général de la Comptabilité publique.

Cet agent supérieur me semblait tout désigné pour me remplacer dans les fonctions de conseiller financier.

Plus tard, pour répondre au désir du Parlement d'avoir un programme de réformes financières plus générales, j'avais proposé l'engagement de fonctionnaires étrangers chargés de l'assiette de l'impôt direct, du cadastre et de l'organisation des impôts de timbre et d'enregistrement.

J'avais, avec intention, écarté de ce programme les impôts indirects sur les objets de consommation: sel, tabac, opium, alcool. Des fonctionnaires étrangers chargés de la perception de ces impôts se seraient heurtés à des difficultés d'ordre religieux qui pouvaient rendre leur tâche impossible. Il était préférable de confier le soin de créer ces impôts à des administrations indigènes, sauf à les réglementer plus tard quand le principe en aurait été admis sans contestation.

Je m'étais formellement engagé, dans le cas où le Gouvernement Impérial s'adresserait à la France pour le choix de ces fonctionnaires, à revenir passer quelques mois à Téhéran pour les installer.

Mes propositions ont été favorablement accueillies. Mon contrat expirait en février 1910. Le Ministre des Finances prit l'initiative de demander au Parlement le renouvellement de mon contrat pour une durée de trois mois. Dans sa pensée, je devais, en rentrant en France, poursuivre la réalisation de ce programme.

Pour des raisons qu'il ne m'appartient pas de connaître, le Gouvernement persan a été amené à poursuivre l'engagement des agents financiers en dehors de l'influence française: l'"Evening Star" du 10 février, 1911, a annoncé la nomination de Mr. W. Morgan Schuster, fonctionnaire américain, comme trésorier général de l'Empire de Perse. Le Gouvernement Impérial semble désirer que je reprenne mes anciennes fonctions de conseiller financier; afin de m'y décider il pourrait soutenir que mon programme a été adopté et a déjà reçu un commencement d'exécution. Je ne pourrais donc me soustraire à l'obligation de poursuivre la réalisation des réformes proposées.

Les raisons que j'ai maintes fois exposées en demandant qu'on confiât les attributions du conseiller financier à un agent d'exécution, loin d'avoir perdu leur valeur, me semblent, au contraire, avoir pris aujourd'hui une importance plus grande.

Si les nouveaux services à créer avaient eu à leur tête des agents français, on aurait pu dire que le conseiller financier était nécessaire pour les représenter auprès du Ministre des Finances et maintenir l'unité de direction.

Ce rôle le conseiller financier ne pourrait même plus le jouer avec des collaborateurs de diverses nationalités, belges, américains, appliquant chacun leurs méthodes et très jaloux de leur autorité. Son intervention ne pourrait aboutir bien souvent qu'à créer des conflits et des froissements aussi nuisibles à la bonne exécution des services qu'à nos relations internationales.

Pendant deux années j'ai toujours eu des rapports excellents avec l'Administration des Douanes, placée entre les mains de fonctionnaires belges, parce que je n'ai jamais cherché à m'immiscer dans les affaires de son ressort.

On dira sans doute que beaucoup de questions sont du domaine propre du conseiller; je puis citer les projets d'emprunt, les projets d'organisation, l'examen et le règlement des difficultés avec les Gouvernements étrangers; il y a là sans doute un vaste terrain pour développer son activité et notre influence. Je ne le conteste pas.

Mais toutes ces négociations ne peuvent être utilement conduites que si les administrations étrangères—très indépendantes à côté d'un Ministre des Finances parfois incompetent—consentent à révéler au conseiller financier les secrets de leur comptabilité.

D'autre part, dans un pays dont les besoins sont très grands et les ressources limitées, on peut concevoir de quelle autorité dispose un chef de service ayant une caisse, faisant des recettes et payant les traitements ou autres dépenses.

J'ai bien souvent constaté que lorsque le Gouvernement se débattait dans de très grandes difficultés financières, les Ministres s'adressaient directement aux banques, à l'Administration des Postes ou des Douanes, et n'avaient recours à mon intervention qu'après avoir épuisé tous les autres moyens de crédit. Quand je leur faisait remarquer l'incohérence de ces méthodes conduisant le pays à la ruine, ils me répondaient avec assez de raison: "Nous n'avons que faire de théories quand nous devons acquitter à tout prix des dépenses urgentes comme la solde des troupes; nous sommes obligés d'aller à ceux qui peuvent nous donner de l'argent."

Dans ces conditions, n'y a-t-il pas lieu de craindre que le rôle du conseiller financier s'amodrisse dans l'inaction, qu'un parti malveillant rêvant toujours d'améliorations immédiates lui demande compte des résultats de ses efforts?

Le projet tendant à confier à des Français la trésorerie, l'assiette et la perception du "maliat," le cadastre, la création des droits de timbre et d'enregistrement pouvait aboutir à donner une trop grande influence à la nation chargée de désigner les chefs de ces nouveaux services. Cette influence pouvait éveiller la susceptibilité d'une nation rivale et lui porter ombrage. Mais, en définitive, si le Gouvernement Impérial de Perse a l'intention bien arrêtée de se retourner vers la France pour l'engagement de son conseiller financier, c'est qu'il entend orienter sa politique financière vers les méthodes françaises.

Ne pourrait-on pas faire comprendre à la Perse que, pour atteindre ce but, elle aurait intérêt à choisir en France un directeur des services financiers plutôt qu'un conseiller?

Ce fonctionnaire serait chargé de centraliser et de vérifier la comptabilité de toutes les recettes et de toutes les dépenses de l'Empire d'après les méthodes budgétaires auxquelles la Perse entend se conformer. J'avais demandé qu'on le chargeât du service de la trésorerie, du paiement des dépenses et de la perception du "maliat." Les fonctions de trésorier général viennent d'être données à Mr. W. Morgan Schuster. Le Gouvernement Impérial ne peut revenir sur cette décision, mais il serait facile de rattacher à la direction des services financiers d'autres branches de l'administration.

D'ailleurs, le directeur des services financiers n'aurait-il dans son lot que l'organisation de la comptabilité budgétaire du Ministère des Finances qu'il serait appelé à jouer le principal rôle parmi les fonctionnaires étrangers, son action, comme en France celle du directeur général de la Comptabilité publique, se ferait sentir sur tous les services. Le directeur des services financiers serait particulièrement qualifié pour renseigner le Ministre des Finances sur la situation financière, l'éclairer de ses conseils dans les questions d'emprunt et, en général, dans toutes les discussions avec les Puissances étrangères.

Si la Perse veut un jour user de notre crédit, elle doit savoir qu'elle rencontrera dans les banques et auprès du Gouvernement français de meilleures dispositions avec la garantie d'une administration ayant à sa tête un fonctionnaire français.

[10687] No. 334.

Sir G. Lowther to Sir Edward Grey.—(Received March 23.)

(No. 64.)
(Telegraphic.) P.

Constantinople, March 23, 1911.

TURCO-PERSIAN frontier.

With reference to your telegram No. 66 of the 21st instant, I should be glad to know if I am authorised to support the Russian Ambassador, who is now prepared to make suggestion to Turkish Government verbally.

[10687]

No. 335.

Sir Edward Grey to Sir G. Barclay.

(No. 86.)
(Telegraphic.) R.

Foreign Office, March 23, 1911.

SIR G. BUCHANAN'S telegram No. 61 of the 21st March: Turco-Persian frontier.
You can act with your Russian colleague as suggested.

[10687]

No. 336.

Sir Edward Grey to Sir G. Lowther.

(No. 69.)
(Telegraphic.) R.

Foreign Office, March 23, 1911.

YOUR telegram No. 64 of to-day: Turco-Persian frontier.
You may support your Russian colleague and act generally with him in accordance with Sir G. Buchanan's telegram No. 61 of the 21st March.

[9423]

No. 337.

Sir Edward Grey to Sir G. Buchanan.

(No. 86. Confidential.)
Sir,

Foreign Office, March 23, 1911.

WITH reference to telegraphic correspondence which has passed between this Office, His Majesty's Embassy at St. Petersburg, and His Majesty's Legation at Tehran, relative to the survey which it is proposed to make of the country between Dizful and Khorramabad, with a view to the eventual construction of a section of the projected Julfa-Mohammerah Railway, I transmit to your Excellency herewith copy of a letter from the India Office expressing concurrence in the recommendation of the Government of India that Lieutenant Wilson,* to whom the work will be entrusted, should be allowed to proceed from Khorramabad to Burujird as an ordinary traveller.

Your Excellency is aware that His Majesty's Minister at Tehran has already expressed the view that, for the reasons given by the Government of India, such a visit is desirable, and, having regard to the consensus of opinion in its favour, I am disposed to authorise Mr. Wilson to proceed accordingly.

I have therefore to request your Excellency to inform the Russian Government that Mr. Wilson proposes, after the termination of his survey, to visit Burujird as an ordinary traveller, making it clear to them that he will of course make no survey within the Russian sphere unless they should wish him to do so.

I am, &c.
E. GREY.

[10833]

No. 338.

Sir G. Barclay to Sir Edward Grey.—(Received March 24.)

(No. 93.)
(Telegraphic.) P.

Tehran, March 24, 1911.

IN reply to your telegram No. 83 of the 23rd March, I have the honour to report that information of only two robberies on the 22nd February has reached me.

His Majesty's acting consul at Shiraz telegraphs as follows in reply to enquiry:—

It appears certain that on the 18th February 200 or 300 troops who had recently arrived and who were close to the caravan took to flight on the appearance of some thirty robbers, that the robbery was witnessed by some officers together with their commanding officer, and that no effort was made by them to take any action. It is said that commanding officer replied to the instances of the onlookers to the effect that he had no instructions to act against the robbers. It is, however, untrue that the soldiers acted in collusion with the robbers.

[9423]

No. 339.

Sir Edward Grey to Sir G. Barclay.

(No. 89.)

(Telegraphic.) P.

Foreign Office, March 24, 1911.

DIZFUL-KHOREMABAD survey. Your telegram No. 76 of the 6th March.

Sir G. Buchanan has been instructed to inform Russian Government that Lieutenant Wilson proposes to visit Burujird as an ordinary traveller after termination of his survey, and to make clear to them that, unless they wish him to do so, he will make no survey in Russian sphere.

[10573]

No. 340.

Sir Edward Grey to Sir G. Buchanan.

(No. 99.)

(Telegraphic.) P.

Foreign Office, March 24, 1911.

AM I to understand from your telegram No. 65 that we may apply for an option to construct a railway as far as Khoremabad, as far as the Russian Government are concerned, if we undertake not to proceed to construct until we have come to an agreement with them on points at issue? As far as I am aware there is no suitable place between Dizful and Khoremabad where a line could stop, and we should not be obtaining an undue advantage, as the Russian Government contemplate the construction of a line from north to south.

I would give every encouragement to a proposal on the lines of Lord Grimthorpe's negotiations, of which I have been informed, on the understanding that Russia would not oppose a line to Khoremabad, which the Russian Government or the Persian Government might eventually link up with Tehran; and there could be no objection on our part if the Russian Government prefer to construct a line from Enzeli to Tehran, and can interest British capital in the scheme.

Imports from the United Kingdom into Arabistan for the years 1907-8 and 1908-9 amounted to 135,000l. and 81,000l. respectively; while those from India for the same years amounted to 107,000l. and 104,000l., as can be seen from the trade returns. Owing entirely to the imports of machinery of the Anglo-Persian Oil Company, a temporary cause, the figures for 1909-10 show a large increase.

[10462]

No. 341.

Foreign Office to Messrs. Dixon and Co.

Gentlemen,

Foreign Office, March 24, 1911.

WITH reference to your letter of the 17th instant relative to the question of arrears of taxation recovered by the Governor-General of Fars, I am directed by the Secretary of State for Foreign Affairs to inform you that His Majesty's Minister at Tehran was instructed by telegraph to enquire of His Majesty's consul-general at Bushire whether he had any information on the subject.

According to a report which has now been received from Lieutenant-Colonel Cox, through Sir G. Barclay, your firm would appear to have misunderstood the information sent by their agent.

The newly appointed Governor-General of Fars, it is understood, refused an offer made by the principal chief of Tangistan to pay a portion of the revenue due, and, regarding him as a rebel, sent an expedition against him last month, which resulted in fighting.

It is true that some of the chiefs between Bushire and Shiraz have made payments to Nizam-es-Sultaneh, but these have been made in most cases on account of personal property of his which is rented by the chiefs.

Colonel Cox adds that he requested Nizam-es-Sultaneh to recover several outstanding commercial claims on his way to Shiraz, but that he has so far received no information that this has been done.

I am, &c.

LOUIS MALLET.

[9755]

No. 342.

Foreign Office to Imperial Bank of Persia.

Sir,

Foreign Office, March 24, 1911.

I AM directed by the Secretary of State for Foreign Affairs to inform you that a copy of your letter of the 22nd December last on the subject of the arrangement between the Persian Government and the Imperial Bank in respect of the Anglo-Indian loan of 1903-4 was forwarded to the India Office. A reply has now been received from that department to the following effect.

It is true, as stated in your letter, that in the total sum due by the Persian Government on the 20th March, 1910, amounting to 314,281l. 16s. 4d., a sum of 42,261l. 0s. 9d. was included for capitalised arrears of interest, and Lord Morley is prepared to agree that one-fifth of the latter amount shall in due course be retained by the bank. He cannot, however, agree that the whole of the one-fifth shall be retained from the first instalment of principal payable by Persia in 1913.

Lord Morley is, however, willing that, of the sums payable by Persia in redemption of principal under the new arrangements, the first 42,261l. 0s. 9d. shall be regarded as in payment of the interest due at the 20th March, 1910, and that the Imperial Bank shall be allowed to retain one-fifth of this sum in addition to one-fifth of the instalments of interest payable under the new amortisation scheme. On the assumption that the payments due from Persia under the new scheme are regularly made, the sums to be retained by the bank in 1913-14, and succeeding years, will be as follows:—

Year.	One-fifth of Interest Instalment.	One-fifth of Instalments of Capital agreed to be taken as representing Capitalised Interest.	Total.
	£ s. d.	£ s. d.	£ s. d.
1913-14	3,142 16 4	2,912 18 2	6,055 14 6
1914-15	2,997 3 5	3,058 11 1	6,055 14 6
1915-16	2,844 4 11	2,480 14 11	5,324 19 10
		8,452 4 2	
1916-17	2,683 13 5	..	2,683 13 5

and thenceforward one-fifth of the interest paid.

I am, &c.

LOUIS MALLET.

[9948]

No. 343.

Foreign Office to Messrs. Ziegler and Co.

Gentlemen,

Foreign Office, March 24, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of the letter of the 17th instant, signed by yourselves, Messrs. H. C. Dixon and Co., and Messrs. Hadji Ali Akbar and Sons (Limited), relative to the reports which have reached you of the recrudescence of robberies in the Bushire-Ispahan road.

I am to inform you in reply that a telegram has been addressed to His Majesty's Minister at Tehran enquiring whether he has received any confirmation of your statement that two of these outrages were perpetrated under the eyes of the Persian troops, and to protect the road.

As regards the robbery referred to in your letter as having taken place on the 18th ultimo 2 farsakhs from Shiraz, I am to state that, according to reports recently received from Sir G. Barclay, the stolen goods have been recovered.

I am, &c.

LOUIS MALLET.

[1768]

3 G

[10939]

No. 344.

Lieutenant-Colonel Cox to Sir Edward Grey.—(Received March 25.)

(No. 2. Commercial. Confidential.)

Sir,

Bushire, March 4, 1911.

IN connection with your despatch No. 3, Political, of the 2nd September, 1909, I have the honour to submit to you a paraphrase of a telegram, which I addressed to His Majesty's Minister at Tehran on the 5th February, on the subject of the sulphur mines at Bostaneh, in the neighbourhood of Lingah.

According to recent reports from His Majesty's vice-consul at Lingah, altogether three mines have been worked, but the whole hill of Bostaneh, covering almost 4 square miles, with an altitude of about 1,000 feet, appears to be of the same composition. The Bostaneh hill is situated 12 miles west of Lingah, but only about 2 miles from the sea-coast at a point 2 or 3 miles west of Shinas. Mr. New thought that the output would be dependent on the labour employed, and might, in practised hands, extend to very large quantities. The sulphur has, in past years under the concession of Muin-ut-Tujjar, been subjected to a rude refining process; and about 520 cwts. were exported in cases and consigned to Messrs. Ellinger & Co., of Manchester, during April 1909–January 1910.

Since Muin-ut-Tujjar's concessions were declared by the Persian Government to have lapsed, at the time of the grant of the red oxide concession on Hormuz to Messrs. Strick & Co., the working of the deposits has been in abeyance, but from recent rumours from Tehran, it would seem as if Muin-ut-Tujjar is manœuvring to regain his old rights.

I gather that various British firms are interested in the deposit of sulphur. Professor Dunstan wrote in August 1909 that one firm "expressed a desire to negotiate for regular and continuous supplies of the material, and would be glad to learn whether the owners wish to dispose of the deposit." Messrs. Ellinger, in interviews which they had with Mr. Chick last summer, made it clear that, if they could no longer hope to do business through Muin-ut-Tujjar, they would consider the advisability of personally taking up concessionary rights.

Meanwhile, I note that Messrs. F. C. Strick & Co. are prepared to negotiate a concession for all mineral exploitation along the Persian coast, and have for some time been aware of and watched these Bostaneh deposits of sulphur. Finally, I have enquiries from Messrs. D. Waldie & Co., Chemical Works, Konnagar, Calcutta, on the subject.

As British interest in this sulphur is so keen, and as there are some grounds to hope that the development of these mines in scientific hands would lead to profitable business commercially, it would be regrettable if the concession were not secured for a British firm before Muin-ut-Tujjar regains it.

It is possible that Messrs. Strick & Co. may not care to interest themselves in a small concession for working sulphur at Bostaneh if they have hope of getting through their more comprehensive project. In that case there seems to be other fresh interest and capital which could be attracted, e.g., Messrs. Ellinger, or Professor Dunstan's correspondents. I understand that Mr. Chick discussed this question with Mr. Ashley, of the Board of Trade.

In any case, as the difficulty of obtaining a wide-sweeping concession, such as Messrs. Strick propose, may result in indefinite delay, I venture to express the opinion that a concession for working the sulphur mines at Bostaneh, from a commercial standpoint, might well be worth taking up as a separate unit, and, in the circumstances, put through as soon as possible. To do this, it might perhaps be considered expedient to consult the various parties interested as to how far they are prepared to apply for a concession on those lines, and support that one which offers the best chance of success.

The Bostaneh sulphur is at present a marketable export unavailable for use till this concession question is settled.

I have, &c.

P. Z. COX,

*British Resident in the Persian Gulf, and
His Britannic Majesty's Consul-
General for Fars, &c.*

Enclosure in No. 344.

Lieutenant-Colonel Cox to Sir G. Barelly.

(No. 22.)

(Telegraphic.) P.

Bushire, February 5, 1911.

PLEASE refer to your telegram No. 16.

Strick is, I fear, unlikely to be successful, and if you share this doubt I would urge the importance to British commerce that a separate concession for working the Bostaneh sulphur mines should at all events be secured by a British interest.

In 1909 I forwarded crudely refined specimens of Bostaneh sulphur to the Board of Trade, and I was informed by the Imperial Institute that they contained over 99 per cent. of good quality sulphur. English merchants, including Ellinger, to whom specimens were shown desired to negotiate for a regular supply, and to learn whether owners wished to dispose of the deposit. Enquiries on the subject of this sulphur deposit have also been received from a firm in India.

In case Strick's larger scheme falls through, I venture to ask you to consider the expediency of advising him to keep an eye on a separate sulphur concession. And if he fails to get the concession he is now trying for and does not fancy the Bostaneh concession, perhaps Ellinger or other firm known to the Board of Trade could be approached.

It seems possible that the Muin will regain his old concessions on a basis very favourable to the Persian Government, and it will be very satisfactory if before that happens we can rescue this sulphur concession for a British firm.

Owing to the suspension of the Muin's concession, there has, to my knowledge, been no shipment for twelve months.

[10941]

No. 345.

Lieutenant-Colonel Cox to Sir Edward Grey.—(Received March 25.)

(No. 4. Commercial.)

Sir,

Bushire, March 6, 1911.

I HAVE the honour to submit for your consideration a memorandum drawn up by Mr. H. G. Chick, my commercial adviser, on the subject of the trade routes in Southern Persia, and particularly the prospects of a British concession for a motor transport service between Bushire and Shiraz, by the Firuzabad route.

The memorandum reaches my hands just as I am leaving headquarters for outside work at Abu Musa and elsewhere, and time does not admit of my commenting on it at length before my departure.

But *prima facie* it seems to me that there is a good deal to be said for the suggestion that in the course of our efforts to bring about a state of security on the trade route between Bushire and Shiraz we should incidentally work in a concession for a British or Anglo-Persian wheeled transport service on the easier alignment via Firuzabad.

The acquisition of such a concession for British enterprise would not only assist materially towards maintaining our predominance in this zone, and help to keep foreign enterprise out, but would, I am sure, greatly stimulate the flagging spirits and energies of British firms trading or endeavouring to trade in this part of Southern Persia.

Before the project can be usefully examined, however, we must necessarily know the engineering possibilities and probable cost of the track per mile, and for this reason I have in the first instance ventured to send to His Majesty's Minister and the Government of India the telegram of which I append a paraphrase.

I have, &c.

P. Z. COX,

*British Resident in the Persian Gulf, and
His Britannic Majesty's Consul-
General for Fars, &c.*

Enclosure 1 in No. 345.

*Memorandum on the Utility of a British Concession for a Motor Road from Bushire to Shiraz.*1. *Present Condition of the Bushire Shiraz Road.*

THERE is at present a lull in the critical condition of affairs prevailing along the caravan route from Bushire to Shiraz. Constant and increasing anarchy in Fars, with all its consequent menaces to the stability and security of British commercial interests along the southern route, aggravated also by the indifference of the Central Persian Government and its ignorance of the true situation in the south, made the British note of the 14th October inevitable. That the last month of the period allowed to the Persian Government for compliance passed without robberies, and also this fourth month, has been a purely fortuitous circumstance due to the season of the year and the peculiar severity of that season. Corresponding to extraordinary rains in the coast-belt, there have been falls of snow on the mountain ranges south and west of Shiraz which pass the memory of Persians. During the whole of January and February caravans have ceased to circulate between Kazerun and Shiraz, and towards the end of the month the passes east of Kazerun were reported quite blocked with snow. Mr. G. G. Knox, proceeding to take charge of the consulate at Shiraz, was delayed five days in Kazerun and then had to cut his way up one kotal through several feet of snow, and his sepoy escort had to return temporarily to Kazerun, unable to make headway.

It is an historical fact that during the two months forming the period of the winter's greatest severity caravan robberies are almost unknown at normal times and have been even in the past four years of anarchy. Added to this, between the 15th December and the 1st March the nomads are settled in their winter quarters and occupied with their flocks and agriculture.

Having regard, therefore, to the unwillingness of the British Government to embark on the policing of the road, with all its speculative results, until absolutely driven to do so, there could not have been any more fortunate moment for the issue of the ultimatum than October last; on the other hand, I do not think the public at large, in reading of the improved freedom of the road from disorder, have realised that the inclemency of the season is almost entirely, if not altogether, to be thanked for the lull which has ensued.

As matters stand to-day, I doubt—and I fancy most British and Persian opinion in the south is similarly sceptical—whether the real position has improved or will improve a jot from the results of measures taken by the Persian authorities. It is true that Nizam-es-Sultaneh has recently set out for Shiraz after many protestations to us of his desire to put the caravan road in order, and that the Kashgai Ilkhani has for the present accepted responsibility for its security (a quite easy thing to do considering the time of year); but, on the one hand, there are not wanting persons who are convinced that Nizam-es-Sultaneh's real object in coming to Fars was to place himself in a favourable position for getting in the outstanding revenues of his own large properties in the province (which, however, do not lie on the road), and that he contemplates resigning the Governor-Generalship directly he meets with opposition in Shiraz; while, on the other hand, it is quite on the cards that the Kashgai Ilkhani will quarrel with the Nizam and repudiate responsibility for the road.

The Central Persian Government have, it is true, received a fright, but it is to be feared they will soon get over it. The 2,800 soldiers whom they promised to send to Fars will dwindle to a few hundred useless northerners; almost certainly they will be underpaid. Soulet-ed-Dowleh is most unlikely to continue to pay for long the tufanghis, whom he now claims to have put to guard the road, especially if he is not compensated in return by levying heavy "rahdari" blackmail, or by subsidies from the Fars "Maliyat." As to the actual marauders of the past—Kuhgelus and others—I do not for a moment suppose that the threat implied in the British note has reached or disturbed them, nor that the Persian Government, with a make-believe force at Shiraz and an Ilkhani backing its endeavours, could teach them a sufficient lesson to prevent the road being constantly subject to the raids of nomads on the migration.

The British note of the 21st January informed the Persian Government that, though they would defer insisting on the employment of British officers for a time longer to enable them to judge of the value of the measures which the Persian Government claim to have taken, they reserved the right to do so eventually if local

measures proved unavailing. A period of seven to eight months from the beginning of the vernal migration (21st March) will probably be more than ample to show that the Persian Government and Nizam-es-Sultaneh have failed in their task. Then some British measure for the policing of the road must follow, unless our face is to be blackened in the eyes of all British interests in the south, and the eyes of most Persians also.

As to the limitations of the present policing scheme and its difficulties—in particular, the difficult nature of the route itself for the operations of a force covering the passage of caravans—they are perhaps hardly realised to the full; the cost will be heavy; the task, in the face of opposition from the various Persian elements, is likely to be beyond the powers of a few British officers; while the idea of Swedish officers, without any previous knowledge of the country, or the people, or the language, seems to me foredoomed to failure.

2. *Choice of Routes from the Gulf to the Interior.*

At the moment when we seem obliged to contemplate the ultimate necessity of supervising the security along what is on all hands admitted to be a very difficult route, which could only be made possible for wheeled vehicles at very great expense, the question of the future choice of routes to the interior has been brought into prominence by the discussion of various projects for railways, either of commercial or political importance.

I understand that alignments from Mohammerah northwards from Bunder Abbas to Kerman, and from Bunder Abbas to Shiraz and Mohammerah, with a branch to Bushire, all have been or are under consideration. These include the three natural points of ingress and egress for foreign trade in southern Persia. Of these Bushire has certainly occupied for considerably more than a century a vastly predominant position, and even to-day, with the southern roads in disorder, it is the first port in Persia. The increased figures for Arabistan in 1909–1911 are traceable to two causes alone: imports of material by the oil company, valued at more than 600,000*l.*, and the 300,000*l.*–400,000*l.* transport trade, which has temporarily left the Bushire road for the Ahwaz route.

It is a remarkable fact that this Bushire-Shiraz caravan route, across an extraordinarily difficult series of precipitous mountains and passes, should yet have been adhered to tenaciously for so long a period, and preferred by importing and exporting traders to others apparently much easier. There must, I think, exist solid commercial reasons for this preference, beyond the comparative facilities which the route enjoys in the shape of telegraph line and caravanserais, and it will be worth while examining this question in detail now that the selection of alignments for projected railroads has become of lively importance. For the present it may be remarked that:—

(i.) Shiraz (perhaps 60,000 inhabitants) is the wealthy centre of a populous and prosperous district, which needs to use the quicker route to the coast, which is via Bushire.

(ii.) Lying between the two towns are centres, such as Kazerun, Firuzabad, Borasjun, &c., which represent either settled inter-trade interests, or, like Fasa, Dashti, and Dashtistan, actually dispose of a large quantity and variety of agricultural produce, capable of very profitable development.

(iii.) The Kashgai tribe, one of the largest in Persia, numbering probably between 300,000 and 400,000 souls, has its habitat for six months of the year across the mountains between Shiraz and Bushire, and intermediate townships, and its consumption of imports from Europe is very (?), while export of produce by the tribe, once facility of transport were assured, would develop enormously.

(iv.) The trading association of Persian merchants in Bushire with European houses has been of long standing, and from their forwarding connection they are more in direct touch with European methods and enterprise than any other coast port, in addition to which there has been established in Bushire for years a nucleus of British commercial firms who have large vested interests in the prosperity of the port and its connection with the interior.

(v.) There is a great interdependence of trade between Bushire, Shiraz, Ispahan, and other large towns of the interior, import goods being exchanged against export goods, and as a result of years of credit, supplied by British capital, the British firms

interested and indebted Persian importers require to keep a constant stream of imports coming in by this route, and a constant turnover of money.

(vi.) There being "vested" interests in the maintenance of the trading connection between Bushire, Shiraz, &c., the old-established British and Persian firms, with their long experience, would be so hit that they would be compelled to retire, were new trade routes pushed to the exclusion of that in present use.

In addition to this *raison d'être* for the present route, the following reflections occur to me in connection with the proposed railway scheme:—

(a.) Supposing for a moment that we restricted our aspirations to obtaining concessions for lines from Bunder Abbas to Kerman, and Mohammerah to Burujird, and left the central portion of the neutral zone untouched, some other Power will surely appreciate the commercial opening afforded in the central portion of the neutral zone, and endeavour to secure it for themselves, and should that Power provide a Government guarantee, the British lines on each side might be placed at a disadvantage.

(b.) Far the largest portion of the existing trade of southern Persia is settled along the Bushire-Shiraz route. The revenue derived from transport is heavy, and besides the fact of the short distance, the prospect of an immediate return on money spent in laying down a line between Bushire and Shiraz presents attractions as a purely commercial proposition, while a relatively small Government guarantee, if any, should be required by the promoters.

(c.) The port of Bushire would, in the light of improved transport facilities to the interior, probably have a much greater attraction as a possible site for improvement than most other spots along the coast.

(d.) From what passed in the first Medjliss when the question of the National Bank and railway communication was brought up, and the deputies of Fars protested that Fars would not subscribe unless the railway passed via Shiraz, and other reasons, I am inclined to think that Persian feeling in Fars, Shiraz and Bushire would be very strongly against any general scheme of railway communications which left out direct connection between Shiraz and Bushire.

3. Need of Temporary Transport Improvements between Bushire and Shiraz.

In the foregoing observations various aspects of both the imminent necessity of policing the present Bushire-Kazerun-Shiraz caravan route, and also the proposal to select certain alignments for railway construction in southern Persia, have been under consideration, because there is, to my mind, an important connection between the two subjects, and a possibility of making a combined solution of the two.

Why should the policing of a caravan route, incapable of being adapted to admit of mechanical traction or any considerable further development, be forced on the British Government, when all necessity for policing might be avoided by making, at a moderate cost, an improved route for mechanical transport in the direction of Firuzabad?

It is obvious that the actual laying down or completion of the various railroads suggested is still far distant: meanwhile there is no reason why a metalled road, adapted for the use of Renard road trains, should not be a profitable commercial venture, and afford at the same time a way out of the difficult position in which the British Government would be placed by a recrudescence of the insecurity on the old caravan route.

If His Majesty's Government concur in the utility of such a scheme, and give their strong support to it, it ought not to be difficult to find the necessary capital.

4. Revenue derived from Traffic over Caravan Route.

There are no statistics available in Persia to show the number of packages or number of pack-animals passing over the roads. From the Customs returns for the port of Bushire, I have, however, made a careful estimate of merchandise transported

to Shiraz, or via Shiraz for further dispatch, by deducting the quantities which I consider likely to be consumed in the Bushire district or the coast plain, and then reckoned by the average value of mule-hire charged during the year in question. The results given show the quantities forwarded to Shiraz as being less than they probably are. Details of these quantities are given in the appendix. Taking the abstract of results thus obtained, I estimate:—

Year.	Weight carried.	Paid at average Rate Hire.	Total.	Equals at average Exchange.
March.	Cwt.	Krans.	Krans.	£
1907-8	176,586 (up) 90,710 (down)	3,260,040 697,750	3,957,790	At 51 = 77,603
1908-9	150,871 (up) 72,642 (down)	3,945,870 558,750	4,504,620	" 55 = 81,902
1909-10.. ..	153,090 (up) 79,100 (down)	5,888,000 486,800	6,374,800	" 56 = 115,621

For these three years rates of hire have been reckoned at 120 krans, 170 krans, and 250 krans per 6½ cwt. respectively on the upward journey from Bushire to Shiraz. On the downward journey, the average rates have been calculated at 50 krans, 50 krans, and 40 krans per 6½ cwt. The great difference between the rates of hire up and down country are of course occasioned by the vastly greater quantity of imports offering than of exports; this will not change until the agricultural and mineral produce of Persia is exploited.

All transport hire in the south has, however, risen abnormally during those years owing to insecurity, and any estimate of the revenue which would have been derived from the same weights in normal times should be calculated at not more than 80 krans per 6½ cwt. for the upward journey, and 30 krans for the downward journey. These were the rates prevailing between 1900 and 1905:—

	1907-8.	1908-9.	1909-10.
At 80 krans (up) ..	Krans. 2,173,360	Krans. 1,856,880	Krans. 1,884,160
" 30 krans (down) ..	418,650	335,250	365,100
Total	2,592,010	2,192,130	2,249,260
	At 51 = 50,823l.	At 55 = 39,857l.	At 56 = 40,165l.

While remembering that 1908-9 and 1909-10 were years that showed a great falling-off of imported goods, it can be reasonably estimated that the average revenue derived from transport hire ought not to be less than 40,000l. per annum, and might well reach 55,000l. Mechanical transport should also result in exports increasing, and the revenue from that source mounting considerably.

An annual return of 40,000l. on money spent in levelling and metalling the road, and the purchase of rolling-stock, would appear to be an attractive enterprise on business grounds alone.

It may be mentioned here that at the above normal rates of hire the rate per ton per mile would be:—

Upward journey	246 krans per ton per 200 miles = say, 1½ krans per mile, say, 5½d.
Downward journey	92 krans per ton per 200 miles = say, ½ kran per mile, say, 2½d.

But there would be every reason to hope, after export trade began to grow, that these rates could be materially reduced.

5. Route to be followed.

The route suggested would be in the direction of No. 24 of the "Routes in Persia," section 1, and would pass somewhere near the following places:—

	Miles.
Gurak (from Bushire)	14
Ahram	15
Kalimeh	20
Bushakun	16
Farashband	29
Firuzabad	40
Khajai	16
Kavar Bridge	19
Baba Haji	16
Shiraz	20
Total	205

The first section of 30 miles is quite flat, almost on the sea-level, and the route generally is said to be very much easier from the point of view of gradient to that via Kazerun.

There is an alternative route between Ahram and Kalimeh some 19 miles longer by the Tang-i-Sehdar, down which the Persians brought their wheeled artillery in 1856. This road could be easily improved. It may also be noted from a military point of view that Kalimeh is an important strategical point on the line of advance from Bushire to Shiraz.

As regards Firuzabad, it was noted by military intelligence officers ten years ago, that Firuzabad was "a small centre with about 5,000 inhabitants, mostly engaged in fruit farming and cultivation. Supplies here are good, far above the average. Rice, grain, and barley are exported into the surrounding country, and fruits and rose-water to Bushire. There is excellent camping ground for a very large force here, and abundance of good water for men and animals. Fire-wood in large quantities could be produced from Maiman. The whole of the plain around the town is extremely fertile, and for Persia well inhabited. Altogether this is the best place along this route. Its chief importance from a military point of view would be that it is admirably suited for a halting place and supply depot."

The agricultural resources of the plains of Fasa and Jahrum would also be probably developed considerably, if this route were followed, and the Kazerun plain with its agriculture is only 60 miles from Farashband.

6. Engineering Survey of this Route Desirable.

All questions of the actual alignment must, however, depend on a proper survey by someone acquainted with road-making in the East, more especially as the question of gradients would need to be carefully considered in the case of a road fit for the use of motor traction.

If the proposal that a concession for a motor road should be obtained by a British group, and, as soon as possible meets with the approval of Government, I would suggest that, inasmuch as the existence of mechanical transport over a made road should be of great assistance in solving the problem of the security of the trade-route in which Government is so interested, an engineer officer should be deputed from India to inspect the route this spring and report on it. Such a preliminary survey would have the object of making certain whether a motor road over the route suggested would be practicable, and the cost moderate from the financial point of view, and so permit of Government advising British financiers that such a concession would be feasible and worth while obtaining from the Persian Government. As the distance is short the survey should not occupy more than four to six weeks. Arrangements could be locally made with friendly tribal chieftains and the Ilkhani of the Kashgais, so that no guarding escort would be necessary, and an officer from the residency could accompany the survey party.

7. Cost of Metalled Road for Motor Traction.

Until this preliminary survey is carried out, it would be rash to make any guess as to the cost of a metalled road suited for motor-waggons along this route. We have been told that road making in Baluchistan has cost 400*l.* per mile, and at that rate the

200 miles between Bushire and Shiraz would cost 80,000*l.*; but the roads in question were perhaps not constructed for heavy motor traffic, and probably the engineering difficulties in this part of Persia would be much greater, for, besides the levelling of a long stretch through the mountain passes, there will be gradients to be overcome, numerous culverts to be built, and a hard raised track made across 20 miles of the salt marshy plain behind Bushire. The cost of those works might easily run to another 100,000*l.*

This is why I think that we could hardly expect financiers in London to apply for their concession before the engineering capabilities of this project are reported on, nor to undertake the expense of sending out a civil engineer from England or India to report on the probable cost, unless they have some sort of assurance from competent authorities that the project is within the range of practical possibilities. This can be provided by Government if an engineer officer were deputed to survey the route for an estimate of the cost.

The price of buildings for storage, garages, also control-houses might amount to 10,000*l.* At least six Renard trains would be required at first, and would cost with packing some 20,370*l.*

8. Scheme to put forward to British Syndicate already interested in Motor Roads in Southern Persia.

I have been led to examine the possibility of the success of a motor-road concession between Bushire and Shiraz, both commercially and as a way out of the "impasse" of guarding the Kazerun route from insecurity, after seeing in London the detailed project of the syndicate, who proposed to obtain a similar concession for the Bunder Abbas-Kerman road. Captain Rae, late His Majesty's Consul at Bunder Abbas, and myself agree that commercially the latter scheme would appear to be a profitable venture for any European financier, and could be effected at relatively small cost.

The Indo-European Telegraph Company's group, including Mr. J. H. Tritton, Sir Francis Mowatt, and others, would seem admirably suited to take up the present proposal, if supported by Government and considered mechanically feasible. This syndicate would also have the advantage of bringing new blood into British commercial interests in southern Persia.

If the preliminary survey suggested be favourable, I venture to add that the present proposal might be brought to the notice of that group, with a promise of Government's support, unless the Board of Trade have other recommendations.

9. Concession terms and Persian interests in the Scheme.

It would go without saying that the agreement of the Persian Government to the suggested concession would have to be forced on them, as the only way to avoid the recurrence of disorders on the Kazerun route, and the interposition of Great Britain in the policing of that route.

Under cover of Mr. Marling's despatch No. 168 of the 14th July, 1908, was forwarded to the Foreign Office translation of the terms of a concession for running Renard road trains over nearly all the carriageable roads of Persia, which was granted to the following Persian notables:—

	Shares.
His Highness Ain-ed-Dowleh	2
His Excellency Mushir-ed-Dowleh (dead)	1
His Highness Farman Farma	1
His Excellency Amir Bahadur Jang (in exile)	1
His Excellency Sipahdar	1
Amin-uz-Zarb (bankrupt?)	1
His Excellency Haji Nassir-es-Sultaneh	1
Muin-ut-Tujjar	1

This concession has never been worked, I understand, beyond bringing out a road-train to run between Tehran and the summer camps in the Shimranat, which has ceased to run effectively. As the concession (article 14) stipulated that—

"The concessionnaires are to work in Persia at least ten trains within two years from the date below (the 22nd June, 1906). They will also begin making the roads within a year from this date; and after seven years all the roads above mentioned must be made carriageable, otherwise they will be cancelled from the conditions of this concession. For the Bushire road they must begin in one year, and it must be finished within five years from the date of this concession."

The concession must certainly have lapsed as far as regards the Bushire-Shiraz road.

No mention was made of the price paid for it, but the roads when made the trains were to be freed from taxation for 15 years, after which the Persian Government was to levy 10 per cent. of the net profits. On the other hand, the terms demanded by the Persian Government from the applicants for a concession for working the Kerman copper mine and a "tram line" from Kerman to the coast included the payment of 100,000*l.* as a loan, and a royalty.

In this instance there is no copper mine, and the road in question is less than half as long, and the Persian Government ought to make no more avaricious demand than an advance of some thousands of pounds, and an annual royalty, while the rights of the Persian Government to the ownership of the road could be recognised, however much the company leasing the road were under British protection.

In this connection I tentatively put forward the idea that it might be found easier by an applicant British syndicate, if from the start they enlisted Persian financial support in the enterprise. It ought to be a step in advance towards the approval of the Medjliss to such a concession, if one or more Persian notables with large influence in Tehran, and without anti-British bias, were associated with the British promoters on the directorate; and after the survey is made, one of the first steps of the promoters in London would be to dispatch a representative to Tehran to enlist such support with the consent of His Majesty's Legation.

In any case, with the route traversing the territory and tribal property of the Kashgai Ilkhani and the Khan of Dashti over a large part of the route, it would be imperative to conciliate the goodwill of those potentates by allotting them shares in the enterprises, and paying a small subsidy as well. We have found during the recent visit of the Kashgai Ilkhani that he is very wide awake to the value of his own territorial sphere as lying right across any road or railway from the coast to Shiraz and at the same time he seemed evidently to expect that developments would occur. It has long been patent that he desires the caravan road to pass through his own territory, from the point of view of revenue to be drawn from this source. His cupidity is undoubtedly strong. There would probably be not much difficulty in negotiating locally with the Kashgai Ilkhani to secure his support of the scheme.

10. Importance of suggested Concession and Résumé.

Politically, the importance of securing this road concession at an early date seems to me very wide.

(a.) It appears to me the only alternative to managing ourselves the policing of the Kazerun route with all its difficulties.

(b.) If ever Great Britain needs to introduce a force into South Persia, in the event of the dissolution of Persia, or for making a demonstration, or for other purposes of safeguarding British interests, it can much more easily be done over a metalled road, and over a road in which we possess undoubted leased rights.

(c.) The route via the Firuzabad district will be distant from the country habitually raided by the Kuhgelu, and other nomads; it would pass almost entirely through the coast plain and Kashgai country; and thus there are not so many little khans to want a finger in the pie, and take to as along the Kazerun route.

(d.) If a route for the use of motor traction be capable of construction, the same road could undoubtedly be adapted subsequently for a railway track.

(e.) The Bushire-Shiraz route, whether by Firuzabad or Kazerun, is the favourite road for Persian and British merchants in all southern and central towns, and will reabsorb all merchandise recently transferred to the Ahwaz-Ispahan road, directly security is assured. It has already the largest developed trade in southern Persia, and as such must offer attractions to capitalists seeking to introduce improved methods of traction. If this route goes neglected by Great Britain in any scheme for the future construction of railroad communication in Persia, I feel sure that other European Governments, with Persian support, will not be slow in taking advantage of our mistake.

In addition to the above reasons, which recommend the suggestion politically, I have already given reasons and statistics for assuming that the construction of a road for the passage of motor trains would be a very prosperous commercial venture and investment for British capital.

Everything, however, hinges on the possibility of the construction of such a road, and therefore I venture to hope that Government will depute an engineer officer for the survey at the earliest possible date.

H. G. CHICK,
Commercial Adviser.

Enclosure 2 in No. 345.

Return of Imports and Exports into and from Shiraz.

IMPORTS Transported to Shiraz.

	1907-8.	1908-9.	1909-10.
	Cwts.	Cwts.	Cwts.
Matches	1,554	1,635	1,200
Wood	2,260	2,842	2,020
Wood manufactures	1,100	227	1,860
Candles	2,142	2,700	180
Coffee	500	..	..
Fruits, preserved	200	160	160
Vegetables, dried and preserved	300	460	180
Sugar, loaf	66,000	44,000	65,320
" crystal	15,000	30,000	29,320
Tea	10,400	9,000	3,600
Spices	3,738	3,108	1,800
Kerosene	5,400	5,200	4,400
Steel bars	3,250	2,670	1,100
Tin plates and sheets	815	828	560
Manufactures	650	293	290
Tin, lead, zinc, bars and sheets	945	942	820
Copper, nickel bars, &c.	3,100	4,604	3,380
Cotton yarns	6,000	3,912	3,720
Cotton tissues	45,000	33,702	28,140
Woollen yarns	350	266	140
Woollen tissues	500	180	260
Tissues of wool mixed with cotton	320	250	60
Jute tissues and yarns	836	789	840
Furniture	50	30	40
Paper	1,200	720	500
Skins	334	138	180
Pottery, chinaware, &c.	1,750	1,070	440
Chemical products	1,200	744	2,040
Dyes, indigo	2,000	800	1,200
Paints	50	28	40
Glassware, &c.	812	500	320
Total	177,756	151,798	154,110

EXPORTS Transported from Shiraz.

	1907-8.	1908-9.	1909-10.
	Cwts.	Cwts.	Cwts.
Almonds	10,000	7,500	11,000
Raisins	3,800	3,700	1,900
Fruits, dry	1,000	600	1,000
Rosewater	6,160	4,550	6,700
Assafoetida	900	800	1,300
Drugs, not specified	10,000	4,400	5,240
Spices	1,800	1,800	1,200
Gum, insoluble	7,000	11,592	14,420
" tragacanth	14,000	12,200	11,400
Raw cotton	4,600	2,500	5,400
Carpets, woollen	2,000	2,300	3,600
Opium	4,100	3,390	1,600
Skins, raw	3,000	5,010	5,820
Tobacco	22,000	11,500	8,200
Vegetable substances	350	800	320
Total	90,710	72,642	79,100

Enclosure 3 in No. 345.

Lieutenant-Colonel Cox to Sir G. Barclay.

(No. 34.)

(Telegraphic.) P.

Bushire, March 6, 1911.

TRADE routes in Southern Persia.

From Bushire as far as Shiraz the road is fairly passable, partly because the Governor-General, Nizam-es-Sultaneh, is halted half way, and partly because there is still much snow about. However, these aids to the security of the road will soon disappear. Heavy robberies have lately been reported on the Shiraz-Ispahan, Bunder Abbas-Kerman, and Bunder Abbas-Lar routes, which are all most insecure. Nizam-es-Sultaneh seems to be making no serious progress, and reports of consuls at Shiraz, Kerman, Lingah, and Bunder Abbas regarding their spheres are most pessimistic. Consequently the possibility seems by no means remote that we shall have to make good the British note.

This Residency has hitherto, when it has only been the question of a choice of alternative mule-tracks between here and Shiraz, consistently pressed for adherence to the Kazerun route, because it is shorter and possesses advantages in caravansaries and the telegraph line, but this route is admittedly out of the question as a prospective alignment for a railway or a motor transport service. Mr. Chick, in the course of a memorandum on the road in question which he has just placed before me, urges that should it become necessary for us to participate in policing a route to Shiraz from the coast it may as well be a route which could be made practicable for a motor transport service, and with that idea he directs attention to the road via Firuzabad. If this road affords a feasible alignment for motor transport at all, the journey when the track was in working order would be performed in four days at the outside, and the task of policing it would be greatly simplified, if necessary at all.

Moreover, this road, unlike the route via Kazerun, would have the advantage of lying mainly in the sphere of one tribe, the Kashgai, whose chiefs might be expected to co-operate with us, as they are friendly and alive to their own interests.

In his memorandum Mr. Chick has gone into the figures, and these indicate that a motor transport service by this route would, *prima facie*, be commercially lucrative, but it would be necessary, before we could be sufficiently sure of this to recommend the project to any British or Anglo-Persian syndicate, that an expert in hill roads and railways should examine the road and give an opinion on the alignment, and an approximate estimate of the cost of construction per mile.

The matter seems to be of immediate interest, as it might even be worth while to stipulate, as a condition of abstention from placing British officers on the Kazerun route, for the grant of a concession for a transport service on the Firuzabad road.

Unless the examination is carried out this spring opportunity will not recur until autumn. Would it be possible for the Government of India to depute Captain L. Hopkins, R.E., who in 1903 surveyed the Ahwaz-Shiraz route, or another engineer expert if he is not available? It would be necessary for him to arrive here by the end of the month. The Kashgai chief, Soulet-ed-Dowleh, would then be starting up the road, and an engineer officer and one of my staff whom I could send with him would thus have the advantage of Soulet-ed-Dowleh's presence.

If, *prima facie*, the idea commends itself to the Government of India and His Majesty's Minister, and if it will probably be feasible to spare an engineer officer for this duty forthwith, I request that I may be informed as soon as possible, so that Soulet can be asked to delay his departure to give our officers time to join him.

[10960]

No. 346.

Treasury to Foreign Office.—(Received March 25.)

Sir,

Treasury Chambers, March 24, 1911.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Mallet's letter of the 14th instant further respecting the proposed survey of the country between Dizful and Khorremabad by His Majesty's consul at Mohammerah, and the enclosed copy of a communication from the India Office,* suggesting the charge on Imperial funds of half the salary of the soldier surveyor who will be attached to Lieutenant Wilson while engaged on this work.

* No. 313.

In reply, I am to state, for the information of Secretary Sir E. Grey, that my Lords assent to the addition of half the sum in question, amounting to 33l. 6s. 8d. in all, to the 300l. which they have already undertaken to contribute for the purpose.

I am, &c.

T. L. HEATH.

[11023]

No. 347.

Sir G. Barclay to Sir Edward Grey.—(Received March 25.)

(No. 94.)

(Telegraphic.) P.

Tehran, March 25, 1911.

TURCO-PERSIAN frontier.

Reference to your telegram No. 86, dated the 23rd March.

I am informed by my Russian colleague that he has been instructed, when making the communication to the Persian Government, to say that we must warn them that the representatives of the Russian and British Governments will proceed even if our invitation to Persian Government to co-operate is not accepted.

There is nothing in my instructions to authorise me to join in such a warning when making the communication. No mention is made of it in St. Petersburg telegram No. 61 of the 21st March, and I am unaware whether it was contemplated by His Majesty's Government. (Please refer to penultimate paragraph of your telegram to Sir G. Buchanan of the 25th February and to penultimate paragraph of Sir G. Buchanan's telegram No. 52 of the 2nd March.)

I should be glad to receive instructions on this point.

[11049]

No. 348.

Sir G. Buchanan to Sir Edward Grey.—(Received March 27.)

(No. 70.)

Sir,

St. Petersburg, March 23, 1911.

WITH reference to your despatch No. 76 of the 14th instant, I have the honour to state that Mr. O'Beirne, by my request, had a conversation yesterday with M. Klemm, the competent official of the Ministry of Foreign Affairs, regarding the proposed confidential communication to the Indo-European Telegraph Company of the terms of the arrangement of the 31st August, 1907, between the British and Russian Governments respecting the exchange of certain telegraph lines in Persia. M. Klemm stated that he saw no objection whatever to the company being confidentially informed of the arrangement in question, as also of the arrangement between the two Governments with regard to the Tehran-Khanikin telegraph line.

I have, &c.

GEORGE W. BUCHANAN.

[11050]

No. 349.

Sir G. Buchanan to Sir Edward Grey.—(Received March 27.)

(No. 71.)

Sir,

St. Petersburg, March 23, 1911.

WITH reference to my telegram No. 61 of the 20th instant, I have the honour to transmit herewith copy of the *aide-memoire* which I have received from the Imperial Ministry for Foreign Affairs in regard to the dispatch of British and Russian representatives to the Turco-Persian frontier.

I have, &c.

GEORGE W. BUCHANAN.

[1768]

3 K

Enclosure in No. 349.

Aide-mémoire communicated to Sir G. Buchanan.

PAR son aide-mémoire du 21 février (6 mars) l'Ambassade britannique a bien voulu informer le Ministère Impérial des Affaires Étrangères du consentement du Cabinet de Londres à procéder sans délai à l'envoi de représentants russe et anglais dans les localités qui sont occupées par les troupes turques dans la région située près de la frontière turco-persane. En conséquence, le Ministère Impérial n'a pas manqué de consulter le Ministre de Russie à Téhéran quant à l'époque la plus favorable pour mettre ce projet à exécution. Il appert d'un télégramme à ce sujet de M. Poklewsky-Kozell qu'à son avis le départ des desdits représentants devrait être fixé pour la fin du mois d'avril (N.S.).

Jugeant opportun de faire dès à présent les démarches nécessaires à Constantinople et à Téhéran pour inviter les Gouvernements ottoman et persan de nommer de leur part des délégués pour accompagner les représentants russe et anglais dans leur tournée, le Gouvernement Impérial vient de charger l'Ambassadeur de Russie à Londres de prier le Gouvernement britannique de donner les instructions nécessaires à Sir Gerard Lowther et à Sir George Barclay de s'entendre avec leurs collègues de Russie en ce qui concerne les modalités des démarches en question.

Quant au choix de fonctionnaires russe et anglais, auxquels l'exécution de ce projet serait confié, il serait désirable de l'abandonner à l'appréciation des deux Ministres à Téhéran.

A l'avis du Gouvernement Impérial, il serait indispensable de munir les deux représentants d'une escorte suffisante qui pourrait être fournie par les autorités militaires du Caucase. Le genre et le nombre des troupes qui formeraient cette escorte pourraient également être fixés par M. Poklewsky et Sir G. Barclay d'un commun accord.

Saint-Petersbourg, le 7 (20) mars, 1911.

[11084]

No. 350.

Sir G. Lowther to Sir Edward Grey.—(Received March 27.)

(No. 187.)

Sir,

Constantinople, March 23, 1911.

I HAVE the honour to report that I have this morning received a telegram from His Majesty's consul-general at Bagdad to the effect that, in consequence of fighting among the tribes, Nazim Pasha has dispatched an officer with twelve troopers to the assistance of the Ottoman consul at Kermanshah, who had been on a visit to Bagdad and, on attempting to return to his post, had been obliged by these disturbances to stop at Kasr-i-Shirin. Mr. Lorimer observes that the guard of the Ottoman consulate at Kermanshah will thus apparently be raised to a strength of over thirty men, unless the above-mentioned force returns to Bagdad after escorting the consul to his post.

Mr. Lorimer also reports that Daoud Khan, the Kurdish chieftain, appears to be endeavouring to gain the support of the headman of Mandali against the Persian Government, being afraid that the latter will attack him. Mandali is in Turkish territory.

I have, &c.

GERARD LOWTHER.

[11253]

No. 351.

Messrs. Dixon and Co. to Sir Edward Grey.—(Received March 27.)

Sir,

Princess Street, Manchester, March 24, 1911.

WE are in receipt of your letter of the 24th instant, and are disappointed to find that we have apparently misunderstood the news from the south of Persia relating to the collection of arrears of taxation by the Nizam-es-Sultaneh.

We had a cable message from Bushire a few days ago reporting that the roads to Shiraz are stopped on account of the fighting at Ahmedi, and presume that this will be the operations of the force dispatched by the Nizam-es-Sultaneh against the Tangistaneh chiefs, and can only hope that the result of these operations will be that the Governor of Shiraz will recover the arrears of taxation in full.

With many thanks for the informations you have so kindly sent us, we are, &c.

H. C. DIXON AND Co.

[10833]

No. 352.

Sir Edward Grey to Sir G. Barclay.

(No. 90.)

(Telegraphic.) P.

Foreign Office, March 27, 1911.

ROBBERIES on Persian roads. Your telegram No. 93 of the 24th March.

You should make a remonstrance to the Persian Government as to behaviour of troops, if you have not already done so, and point out to them that a repetition of such incidents will make it difficult for us to refrain from pressing for the scheme outlined in note of the 14th October. Special reference should be made to statement of want of instructions attributed to commander.

[10752]

No. 353.

Sir Edward Grey to Sir G. Barclay.

(No. 91.)

(Telegraphic.) P.

Foreign Office, March 27, 1911.

TRANSPORT company are concerned at reported negotiations of oil syndicate (see your telegram No. 90 of the 21st March), and recall the assurances they hold from us in regard to preferential treatment (see Persia print of the 30th January, section 2).

While no step should be taken without first arriving at an understanding with the Russian Government, it would be the simplest course for His Majesty's Government themselves to ask Persian Government for an option to build Mohammerah-Khorembad line, and then to arrange for construction and management of line by a syndicate, which would of course include transport company. We have already been asked by company whether, in our view, they could opportunely approach Persian Government at this juncture.

I should be glad of your views on these points.

[11023]

No. 354.

Sir Edward Grey to Sir G. Barclay.

(No. 94.)

(Telegraphic.) P.

Foreign Office, March 27, 1911.

TURCO-PERSIAN frontier. Your telegram No. 94 of the 25th March.

If the invitation is refused then the warning could be given, but it would be better to convey the invitation without any warning.

[11023]

No. 355.

Sir Edward Grey to Sir G. Buchanan.

(No. 103.)

(Telegraphic.) P.

Foreign Office, March 27, 1911.

MY telegram No. 94 of to-day to Sir G. Barclay. Turco-Persian frontier.

Ask M. Sazonoff to instruct M. Poklewski in similar sense.

[11542]

No. 356.

Note communicated by M. Cambon, March 28, 1911.

LE Ministre de Perse à Paris a demandé à M. Cruppi si le Gouvernement français se prêterait à l'engagement de deux professeurs français pour enseigner en Perse le droit administratif et le droit commercial.

Un engagement de ce genre n'a évidemment aucun caractère politique. Néanmoins, avant d'arrêter le sens de sa réponse, M. Cruppi serait heureux de connaître le sentiment du Gouvernement de Sa Majesté sur la demande du Gouvernement persan.

*Ambassade de France, Londres,
le 28 mars, 1911.*

[11405]

No. 357.

Sir G. Barclay to Sir Edward Grey.—(Received March 28.)

(No. 97.)

(Telegraphic.) P.

Tehran, March 28, 1911.

I AM informed by Captain Haworth that there is no truth in the rumour mentioned in your telegram No. 77 of the 20th March, that the Germans had acquired a site for a factory on Abadan Island.

[11415]

No. 358.

Sir G. Buchanan to Sir Edward Grey.—(Received March 28.)

(No. 76.)

(Telegraphic.) P.

St. Petersburg March 28, 1911.

TURCO-PERSIAN frontier. Your telegram No. 103 of the 27th March.

Instructions will be sent to the Russian Minister at Tehran to act in accordance with your proposal, unless the two Ministers, after discussing the question, should come to the conclusion that another course of procedure should be adopted.

[11431]

No. 359.

Mr. Bryce to Sir Edward Grey.—(Received March 29.)

(No. 84.)

Sir,

Washington, March 21, 1911.

WITH reference to Sir George Barclay's telegram No. 78, repeated to me in your telegram No 65 of the 7th March, and to previous correspondence with regard to the appointment of Mr. Shuster as financial adviser to the Persian Government, I have the honour to inform you that Mr. Shuster will sail from New York on the 29th instant *en route* for Persia, together with three of his assistants. A fourth, Mr. Cairns, hitherto in the United States service at Iloilo, has, I understand, left the Philippines for America, whence he will proceed before long to Persia.

I have, &c.

JAMES BRYCE.

[11575]

No. 360.

Sir G. Barclay to Sir Edward Grey.—(Received March 29.)

(No. 98.)

(Telegraphic.) R.

Tehran, March 29, 1911.

YOUR telegram No. 86 of 23rd March: Turco-Persian frontier.

Russian Minister and I informed Minister for Foreign Affairs yesterday verbally of the proposed mission of investigation, and invited Persian Government to join. We added a similar invitation was being addressed to Turkish Government.

His Excellency received invitation sympathetically. Personally he was in favour of Persia's joining, as he realised importance of maintaining solidarity with two mediating Powers in face of Turkish aggression. He doubted, however, whether Turkey would join, and feared that she might even actively obstruct work of mission.

His Excellency said that he would consult Regent and the Cabinet, and give us Persian Government's answer in a day or two.

[11576]

No. 361.

Sir G. Barclay to Sir Edward Grey.—(Received March 29.)

(No. 100.)

(Telegraphic.) P.

Tehran, March 29, 1911.

TWO attempts to break into consulate on the 25th and 26th March respectively are reported by His Majesty's consul, Kermanshah.

On the 25th March two men were arrested. On the 26th March brigands entered sowars' quarters and stole two uniforms and other goods. Shots were exchanged with some thirty men who, His Majesty's consul thinks, were seeking to avenge their two comrades arrested on the 25th March.

Mr. McDouall took measures for defence and informed governor of occurrence.

Mr. McDouall further reports that a warning that the band threaten to kill the Indian sowars has been received.

Stones were thrown on the 27th March, but the brigands desisted when they saw that consulate was well garrisoned, and betook themselves to the town, where they robbed the house of a notable.

In the meanwhile, I have held Persian Government responsible for the safety of His Majesty's consulate and of British subjects at Kermanshah, and have urged that culprits be punished.

[11554]

No. 362.

Sir G. Louther to Sir Edward Grey.—(Received March 29.)

(No. 72.)

(Telegraphic.) P.

Constantinople, March 29, 1911.

TURCO-PERSIAN frontier.

With reference to your telegram of the 23rd instant I am sending by bag to-day report of the verbal communication made on the 28th instant.

[11657]

No. 363.

Imperial Bank of Persia to Foreign Office.—(Received March 30.)

Sir,

25, Abchurch Lane, London, March 29, 1911.

I HAVE the honour to acknowledge the receipt of, and thank you for, your letter of the 24th instant.

We are quite in accord with the arrangements proposed, and will advise our chief manager in Tehran to that effect.

I am, &c.

G. NEWELL, Manager.

[11715]

No. 364.

Sir G. Barclay to Sir Edward Grey.—(Received March 30.)

(No. 101.)

(Telegraphic.) P.

Tehran, March 30, 1911.

MINT contract.

In continuation of my telegram No. 88, dated the 21st March.

I am informed by Mr. A. O. Wood that the contract has been renewed for the period of one year with the Imperial Bank.

[1768]

3 L

[11340]

No. 365.

Sir Edward Grey to Sir G. Barclay.

(No. 99.)

(Telegraphic.) P.

Foreign Office, March 30, 1911.

DO you see any objection to return of M. Bizot as financial adviser to Persian Government in accordance with reported desire expressed by Regent on his way through Russia, as French Government desire to ascertain our view in matter?

If he is given executive functions as director of financial services, he is himself willing to go for limited time.

[10833]

No. 366.

Foreign Office to Messrs. Ziegler and Co.

Gentlemen,

Foreign Office, March 30, 1911.

WITH reference to the letter from this Office of the 24th instant, relative to the state of the southern Persian roads, I am directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran embodying a report from the British acting consul at Shiraz to the effect that on the 18th ultimo, on the occasion of the robbery referred to by your correspondent, 200 or 300 newly arrived troops, who were near the caravan, fled on the approach of some thirty brigands, while, on the 24th ultimo, the robbery was witnessed by some officers with their commander, who took no steps to interfere. Being asked for help by the crowd, the commander is said to have replied that he had no instructions to act against brigands. The report adds that there is no foundation for the statement that the troops are in collusion with the robbers.

Sir E. Grey has now addressed a further telegram to Sir G. Barclay, instructing him to remonstrate with the Persian Government as to the behaviour of the troops on the two occasions referred to, especially as to the statement attributed to the commander regarding the nature of his instructions.

I am, &c.

LOUIS MALLET.

[11731]

No. 367.

Sir G. Buchanan to Sir Edward Grey.—(Received March 31.)

(No. 76.)

Sir,

St. Petersburg, March 27, 1911.

IN an article published on the 25th March, the "Bourse Gazette" comments enthusiastically on your remarks in the House of Commons with regard to the influence exercised by the presence of Russian troops in Persia. The foolish assertion that Russian policy is on the side of the reactionaries in Persia is finally laid to rest, and this spontaneous tribute on the part of the responsible leader of British foreign policy to the useful part played by the Russian troops will be read with the greatest satisfaction by all educated Russians, and will do much to strengthen still further Anglo-Russian friendship and the bonds of the agreement, without which the situation in Persia would have been problematical indeed.

I have, &c.

GEORGE W. BUCHANAN.

[11806]

No. 368.

Lord Grimthorpe to Sir Edward Grey.—(Received March 31.)

My dear Grey,

80, Portland Place, March 30, 1911.

I WRITE to inform you that I hear negotiations with the Government are proceeding satisfactorily at St. Petersburg. In case enquiries may be made from there about Mr. Williams, I think it well to let you know that he is not only the agent and representative of myself and the syndicate (which has been formed with a capital of

300,000L., to be called up as wanted), but is a principal, a partner, and a large shareholder in the business. He is an American, and is backed by powerful financial interests out there. Just before leaving Paris he negotiated a deal with some Paris bankers for building a railway in the west of America. I mention this as a Government always likes to deal with principals, and if he is thought to be only an agent it will seriously hamper him in the negotiations, and probably prevent their coming to any definite conclusion.

Yours sincerely,
GRIMTHORPE.

[11838]

No. 369.

Sir G. Barclay to Sir Edward Grey.—(Received March 31.)

(No. 102.)

(Telegraphic.) P.

Tehran, March 31, 1911.

MINT contract.

In continuation of my telegram No. 101, dated 31st March.

Mr. A. O. Wood informs me that the recently concluded contract differs from the previous one in that the rate of interest is fixed at 5 per cent. instead of at 9 per cent., and that the amount of silver to be imported will be decided by Persian Government from month to month, and will not be fixed.

[11839]

No. 370.

Sir G. Barclay to Sir Edward Grey.—(Received March 31.)

(No. 103.)

(Telegraphic.) P.

Tehran, March 31, 1911.

IN accordance with the custom prevailing when the accused are Russian subjects the enquiry into the murder of Sani-ed-Dowleh is being held in the Foreign Office Tribunal in Tehran, that into the attempt on Mohamed-i-Khokan and into the murder of his nephew in the Karguzar's Court at Ispahan. A Russian official is following both cases. Nothing indicates that there has been any lack of co-operation on the part of the Russian Legation in Tehran, or of the Russian consulate-general at Ispahan. The accused will be sent to Russia for trial when the proceedings are terminated. M. Poklewski informs me that he had asked that the murderers of Sani-ed-Dowleh might eventually be tried by court-martial in Russia, in order to render a capital sentence possible, but he has learned that this cannot be arranged.

Two other murders in which the accused were Russian subjects were committed last year. The joint enquiry in Tehran failed, in one case, to establish anything, and the accused was merely deported to Russia, at the request of the Persian Government, by my Russian colleague. The guilt of the accused in the other was proved in Tehran. He is now, I understand, undergoing his trial in Russia.

[11840]

No. 371.

Sir G. Barclay to Sir Edward Grey.—(Received March 31.)

(No. 104.)

(Telegraphic.) R.

Tehran, March 31, 1911.

MY telegram No. 100 of 29th instant: Attacks on Kermanshah consulate.

His Majesty's consul at Kermanshah reported on night of 28th March brigands fired on consulate, but fire being returned, brigands departed.

Local authorities appeared to have placed troops at consulates for its protection.

[11841]

No. 372.

Sir G. Barclay to Sir Edward Grey.—(Received March 31.)

(No. 105.)

(Telegraphic.) P.

Tehran, March 31, 1911.

M. BIZOT.

In reply to your telegram No. 99 of 30th March, I have the honour to state that there appears to be no objection from our standpoint to M. Bizot's return to Persia in the capacity indicated. It might, however, I think, give umbrage to the United States Government.

It appears rather doubtful that the Persian Government will apply for his return unless pressure is exerted upon them to do so from outside.

[11689]

No. 373.

Sir Edward Grey to Sir G. Buchanan.

(No. 110.)

(Telegraphic.) P.

Foreign Office, March 31, 1911.

SELIGMAN loan.

Is Seligman's statement to the effect that member of their firm has been informed by Russian Minister of Finance that Russian Government are now favourable to their making loan to Persia, and that, in order to provide security for it, they will agree to repayment of some of Russian loans, correct?

[11570]

No. 374.

Foreign Office to the Persian Transport Company.

Sir,

Foreign Office, March 31, 1911.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 23rd ultimo, relative to the question of the construction railways in Persia.

I am to inform you, in reply to the enquiry contained in the paragraph of that communication, that Sir E. Grey would deprecate an application to the Persian Government for a railway concession either by your company, or by anyone else at the present moment, but that he will not lose sight of the assurances conveyed to the company in previous letters from this Office with regard to this question.

I am, &c.

LOUIS MALLET.